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Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2018 CONSOLIDATED INDEPENDENT SCHOOL DISTRICT BAYTOWN, TEXAS

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BAYTOWN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

PREPARED BY THE BUSINESS SERVICES DEPARTMENT

Margie M. Grimes, CPA Chief Financial Officer

> Renea Dobbs Director of Finance

LeAna R. Dixon Controller/Treasurer This page left blank intentionally.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2018

TABLE OF CONTENTS

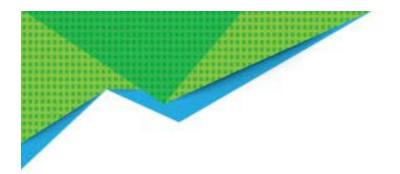
PAGE EXHIBIT INTRODUCTORY SECTION Certificate of the Board..... 3 5 Transmittal Letter Organizational Chart 11 Principal Officials and Advisors 12 Government Finance Officers Association – Certificate of Achievement for Excellence in Financial Reporting 13 Association of School Business Officials International – Certificate of Excellence in Financial Reporting 14 FINANCIAL SECTION Independent Auditors' Report..... 17 Management's Discussion and Analysis..... 19 **Basic Financial Statements: Government-Wide Financial Statements:** Statement of Net Position 30 A-1 Statement of Activities 31 B-1 **Funds Financial Statements:** Balance Sheet – Governmental Funds 32 C-1 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... 35 C-2 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds..... 36 C-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, C-4 and Changes in Fund Balances to the Statement of Activities..... 38 Statement of Net Position – Proprietary Funds..... 39 D-1 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 40 D-2 Statement of Cash Flows – Proprietary Funds..... 41 D-3 Statement of Fiduciary Net Position – Fiduciary Funds 42 E-1 Statement of Changes in Fiduciary Fund Net Position – Fiduciary Funds 43 E-2 Notes to the Financial Statements 44 **Required Supplementary Information:** Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund..... 77 F-1 Schedule of the District's Proportionate Share of the Net Pension Liability..... **F-2** 78 Schedule of District Contributions for Pensions..... 79 F-3 Schedule of the District's Proportionate Share of the Net OPEB Liability 80 F-4 Schedule of District Contributions for Other Post-Employment Benefits (OPEB) F-5 81 Notes to the Required Supplementary Information 82 Combining and Individual Fund Statements and Compliance Schedules: Combining Balance Sheet – Nonmajor Governmental Funds G-1 90 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 94 G-2 Statement of Changes in Assets and Liabilities – Agency Fund 98 H-1 Schedule of Delinquent Taxes Receivable..... 100 I-1 Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Child Nutrition Program 102 I-2 Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund..... 103 I-3

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2018

TABLE OF CONTENTS

	PAGE	EXHIBIT
STATISTICAL SECTION (UNAUDITED)		
Financial Trends:		
Government-wide Information:		
Net Position by Component	108	
Changes in Net Position	110	
Fund Information:		
Fund Balances of Governmental Funds	112	
Changes in Fund Balances of Governmental Funds	114	
Revenue Capacity:		
Property Tax Rates per \$100 of Assessed Value –		
Direct and Overlapping Governments	116	
Assessed Value and Actual Value of Taxable Property	118	
Principal Property Taxpayers	119	
Property Tax Levies and Collections	120	
Debt Capacity:		
Ratio of Outstanding Debt by Type	121	
Legal Debt Margin Information	122	
Ratio of Net General Obligation Bonded Debt Outstanding	124	
Computation of Estimated Direct and Overlapping Debt	125	
Demographic and Economic Information:		
Demographic and Economic Statistics	126	
Principal Employers	127	
Full Time District Equivalent Employees by Position	128	
Operating Information:		
Operating Statistics	129	
Teacher Salary Data	130	
Instructional Building Data	131	
District Map	132	



Introductory Section

Goose Creek Consolidated Independent School District Baytown, Texas

For the Fiscal Year Ended June 30, 2018



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CERTIFICATE OF THE BOARD

GOOSE CREEK CONSOLIDATED ISD Name of School District <u>Harris</u> County <u>101911</u> Co. – Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended June 30, 2018 at a meeting of the Board of Trustees of such school district on the 5th day of November, 2018.

Jessica Woods

Pete Pape

Signature of Board Secretary

Signature of Board President

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November 2, 2018

To the Board of Trustees and Citizens of Goose Creek Consolidated Independent School District:

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency ("TEA") within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America. The financial statements must be audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Goose Creek Consolidated Independent School District ("District" or "Goose Creek") for the year ended June 30, 2018.

This report consists of management's representations concerning the financial condition and operations of the District. Accordingly, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to help protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Start, Garcia & Stanley, LLC a firm of licensed certified public accountants, has audited the financial statements of the District. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the District is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with emphasis on the administration of federal awards. These reports are presented as part of the CAFR's Federal Awards Section.



The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE DISTRICT

Established in February 1919, the District is the 57th largest school district in Texas encompassing 134 square miles. The District includes both the City of Baytown and the community of Highlands with a current combined population of over 107,000. The District is located 27 miles east of downtown Houston, Texas, in eastern Harris and western Chambers counties.

Over 3,000 full-time employees are employed by the District, which provides a high-quality education to approximately 24,000 students. Student population is currently growing at a rate of approximately one or two percent per year. The District prides itself on its diversity. Student demographics for 2017-18 are: 62% Hispanic, 19% White, 15% African American, 1.6% Asian, .3% Native American, 0.1% Native Hawaiian/Pacific Islander, and 2% of two or more races. About 72 percent of students are considered economically disadvantaged.

Residents of the District elect members of the Board of Trustees to four-year terms from each of seven singlemember districts. The Trustee seats are up for election on a rotating basis on the second Saturday in May on oddnumbered years. Vacancies may be filled by appointment until the next election. Trustees elect Board officers, including President, Vice President, Secretary and Assistant Secretary. The Trustees serve the citizens of Baytown and Highland's school system without compensation.

District facilities include one primary school; fifteen elementary schools; five junior schools; three traditional high schools; an early college high school; a career technical education high school; two alternative learning centers, as well as an administration building; maintenance, operations, and transportation center; technology management services center; and an instructional support center.

MISSION, CORE VALUES AND VISION

The District's mission is to develop and enhance each learner's intellectual, social, and emotional well-being facilitated by a high qualified team committed to Growth, Community, Collaboration, Innovation, Success and Determination.

The District's core values are:	Graduate every child
	Children first, in a safe and nurturing educational environment
	Collaborative community and parental involvement
	Integrity, respect, humility and transparency
	Service before self
	Diversity respected

The District's vision is: We empower every student with the knowledge and skills they need to succeed in a global community.



The District provides a full range of educational services for grade levels Pre-K through 12. These programs include regular and enriched academic education, special education for students with disabilities, occupational and vocational education, bilingual instruction for students with limited English proficiency, and specialized instruction for economically disadvantaged students.

Academically talented students may seek challenges in pre-Advanced Placement, Advanced Placement, and dual credit courses in a variety of subjects. In addition, students may study different foreign languages. The District provides programs for gifted students in a variety of settings in grades K-12 that focus on the development of higher-level and cognitive thinking skills. The District is fully accredited by the TEA at all levels of instruction.

FINANCIAL INFORMATION

Internal and Budgetary Controls

The development and evaluation of the District's accounting system considers the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

We believe that the District's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions.

As a recipient of federal, state and local grants, the District is also responsible for an adequate internal control structure that ensures compliance with applicable laws and regulations related to the grants. All funded grants are subject to testing as part of the District's Single Audit as mandated by the Office of Management and Budget Circular A-133. The results of the District's Single Audit for the year ended June 30, 2018 reported no material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary controls are established by regulations of the Texas Education Agency and by District policy for all administrators with line item responsibility. TEA regulations set the level of budgetary control at the major functional expenditure level. Administrators have the responsibility to develop and manage their own program budgets once approved. Revisions within the categories are accepted upon request, but additions in amount or revisions between functions require recommendation of the Superintendent and approval by the Board of Trustees.

School districts are legally required to adhere to the Texas Education Code by establishing an annual budget. The District follows these legal requirements and an annual budget, prepared on the modified accrual basis of accounting, is adopted for the General, Child Nutrition, and Debt Service funds. The Capital Project funds adopt project length budgets as outlined in TEA's Financial Accountability System Resource Guide. Encumbrances lapse at year-end and all outstanding purchase orders are carried forward into the next fiscal year and re-encumbered. The appropriations for these encumbrances are added to the funds to be appropriated for the next year's budget.



General Educational Functions

Principally, local taxes and state entitlements support general educational activities. Direct federal aid is nominal in the General Fund; however, the Special Revenue Fund receives most of its funding from Federal grants, which are distributed through the Texas Education Agency. General educational activities are accounted for in the General and Special Revenue Funds. State and federal grants or entitlements primarily support the Special Revenue Fund. They include support for the economically and academically disadvantaged, federal support for special and vocational education, and a variety of other projects as described in the Combining Statements.

Fiscal and Strategic Planning

The estimated annual student growth has reduced from an estimated 2 percent growth factor to approximately 1 percent annual growth. As a result, this requires adequate planning to insure appropriate utilization of limited resources. Student enrollment drives the District's planning process along with the administration's commitment to providing the best education possible for our students. The District's strategic planning is an ongoing process lead by the Superintendent and Executive Staff. The planning process begins with statistical analysis of the results of State mandated standardized testing and leads to the development of campus plans and educational programs to achieve the District's goals. This planning process identifies the educational needs of the District to drive the campus plans and the proper allocation of all District resources.

It is the responsibility of the Business Services Department to oversee the financial planning, tracking and accounting for the finances of the District in serving the community and its students. The Superintendent's Office and Executive Staff oversee and coordinate all the elements involved in the strategic and financial planning process for the District on a long-term basis each fiscal year. The District has implemented various strategies to ensure a balanced general fund budget is adopted each fiscal year.

The District has adopted a total tax rate for 2018 of \$1.43189 per \$100 property valuation which is equal to the 2017 tax rate.

ECONOMIC CONDITION AND OUTLOOK

Funding for Texas's public schools comes from three main sources: local school district property taxes, state funds, and federal funds. The majority of funding comes from local property taxes and state funding which is based on the number of students in the District, the type of instructional services provided, and the school district's property wealth and tax collection efforts. Total state revenues guarantee school districts a set amount of funds per student. Each legislative biennium, the amount per student may be revised to account for changes in the cost of educating students.

Property tax revenue can be increased by increasing the property tax rate or by an increase in the valuation of property within the District. Any change in local property tax revenue received due to growth in property value is offset by a comparable reduction in State funding. The maximum property tax rate for the school district's maintenance and operations (M&O) rate is capped at a maximum \$1.17 per hundred dollars of valuation with voter approval. The District is taxing at the maximum M&O tax rate with the approval from the voters.

Decreases in local M&O property tax revenues increase the amount of State funding that will be received under the "hold-harmless" provisions of the state funding formula. The increase or decrease in property tax revenue triggers a corresponding change in State funding to return the total revenue received for the two primary sources of funding



to the target revenue amount. The District's M&O taxable property values in the current period increased approximately 6 percent from the prior year.

The current local unemployment rate has decreased to 6.6%, down from 10.4% compared to the prior year and compared to the current state and national unemployment rate of 4.0%.

Baytown/West Chambers County is situated along the prosperous Texas Gulf Coast and has abundant natural resources of oil, natural gas, seawater, and fresh water. The Baytown/West Chambers area has become the hub of such energy-related industries as oil refining, rubber, chemicals, carbon black plants, and industrial distribution sites. A large part of the U.S. petrochemical production is based in the Houston area, and a significant portion of this industry is located in the Baytown/Highlands area.

New facilities and expansions planned in West Chambers County will result in significant employment growth within the District's boundaries. Exxon Mobil's Baytown complex, which employs a workforce of approximately 7,000, is one of the largest and most technologically advanced refining and petrochemical complexes in the world. The complex is comprised of four manufacturing sites and a global technology center. Exxon Mobil will be expanding its Baytown chemical plant to include a Vistamaxx unit and full-range linear alpha olefins (LAO) production unit. The project startup is anticipated late in 2021 with a total investment of approximately \$1.8 billion. The project is expected to create up to 2,000 construction jobs during peak periods and more than 50 new, local permanent jobs upon completion.

Another of the most significant planned new expansions in West Chambers County is the Covestro, LLC project to construct a new polyurethane manufacturing unit at its Baytown site. Covestro is one of the leading producers of high-performance polymers in North America and is part of the global Covestro business with 30 production sites around the globe. The Covestro Industrial Park in Baytown is the company's largest manufacturing site in North America, currently home to about 1,000 employees and 600 contractors. The company estimates the project completion in 2025 with a total investment of approximately \$1.4 billion.

The Houston metropolitan area ranks as the sixth-largest metropolitan area in the country. Over the past five years, Houston's economy grew 7 percent. However, Houston's growth was one of the slowest among other large Texas metros including Austin, San Antonio and Dallas.

SUMMARY OF ACHIEVEMENTS, AWARDS AND ACKNOWLEDGMENTS

The District's achievements continue to be heralded in local and state levels. The District enjoys a well-deserved reputation for academic and financial excellence, and continues to receive numerous accolades for the performance of its students. Most recently, the District has been recognized for the following:

- The District achieved a "superior" rating on the Schools Financial Integrity Rating System of Texas (FIRST) for the sixteenth consecutive year.
- The state accountability rating "Met Standard" was received from the Texas Education Agency for the District and all Goose Creek CISD campuses, the highest rating earned by any school or district this year. The District also received the rating of "Met Standard" for the prior school year.



Certificates in Financial Reporting

For the year ended June 30, 2017, the District was awarded the "Certificate of Achievement for Excellence in Financial Reporting" by the Government Finance Officers Association (GFOA) of the United States and Canada and the "Certificate of Excellence in Financial Reporting Award" by the Association of School Business Officials International (ASBO). In order to be awarded a Certification in Financial Reporting, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

Each of these awards is valid for a period of one year only. The District has received the GFOA award for twenty consecutive years and the ASBO award for twenty-four consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we will once again submit them to the GFOA and the ASBO.

Acknowledgments

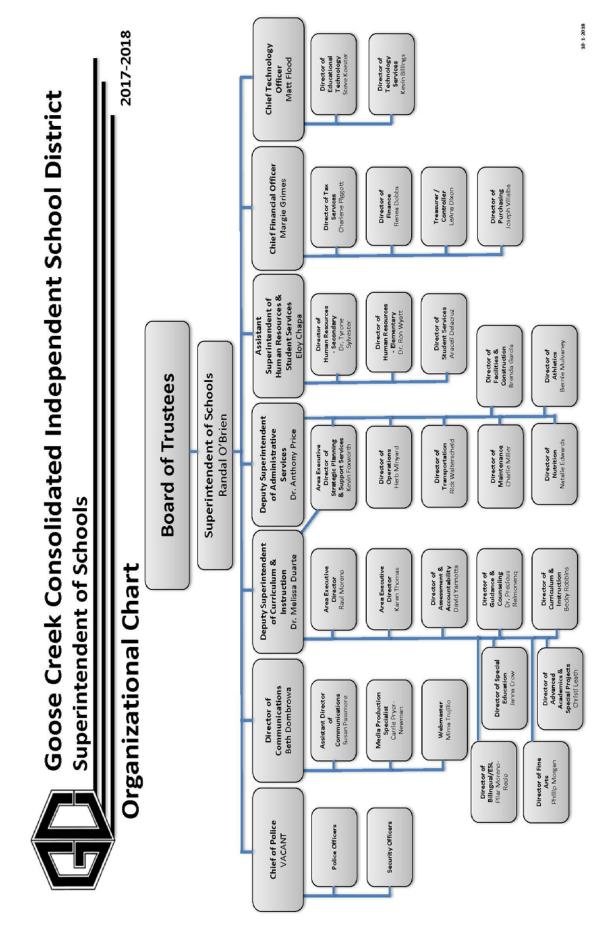
We appreciate the support of the Board, the citizens of the District, and the business community, all who work cooperatively to ensure the best education for District students. This cooperation is indicative of strong support for the attainment of excellence in the District's educational programs.

Also, we would like to express appreciation to all employees of the District for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

The preparation of this report on a timely basis involves the entire staff of the Finance and Business Services Department. We are grateful for everyone's assistance in making this system work smoothly and efficiently. We also want to express our appreciation to the bookkeepers and administrative assistants for their contributions to the process. We also acknowledge the Technology Department for the help and support they provide in managing our databases and helping us with financial reporting.

We also want to thank our independent auditors, Start, Garcia & Stanley, LLC, whose professional competence and leadership assisted us in developing this award-winning report.

//Signature on File// Randal O'Brien, Superintendent of Schools //Signature on File// Margie M. Grimes, Chief Financial Officer



Goose Creek Consolidated Independent School District Baytown, Texas

Board of Trustees

Name	Position	Length of Service	Term Expires <u>May</u>	Occupation
Mr. Pete Pape	President – District 7	4 Years	2019	Assistant Superintendent
Mr. Agustin Loredo III	Vice President – District 2	12 Years	2021	Teacher
Ms. Jessica Woods	Secretary – District 3	4 Years	2019	Executive Director
Mr. Howard Sampson	Assistant Secretary – District 1	9 Years	2021	Retired
Mr. Richard Clem	Board Member – District 4	1 Year	2021	Retired
Mr. Ben Pape	Board Member – District 5	1 Year	2021	Senior Director
Mr. Al Richard	Board Member – District 6	4 Years	2019	Retired

Administrative Staff

	Superintendent
Dr. Anthony Price	Deputy Superintendent for Administrative Services
Dr. Melissa Duarte	
Eloy ChapaAssis	stant Superintendent of Human Resources and Student Services
Margie M. Grimes, CPA	Chief Financial Officer
Matthew Flood	Chief Technology Officer
Kevin Foxworth	Executive Director Strategic Planning and Support Services
Karen Thomas	Area Executive Director
Raul Moreno	Area Executive Director
Beth Dombrowa	Director of Communications
Accou	ntants and Advisors
Start, Garcia & Stanley, LLC Certified Public Accountants, Baytown, Texas	Auditors
Andrews Kurth, LLP	Bond Counsel
Hutchinson Shockey Erlye & Co	
Ret	port Preparation
	Chief Financial Officer
Renea Dobbs	Director of Finance
LeAna R. Dixon	



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Goose Creek Consolidated

Independent School District, Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2017

Christopher P. Monill

Executive Director/CEO



The Certificate of Excellence in Financial Reporting is presented to

Goose Creek Consolidated Independent School District

for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2017.

The CAFR has been reviewed and met or exceeded ASBO International's Certificate of Excellence standards.

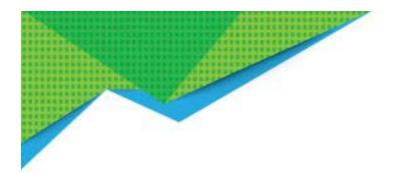


Charles Decoron, Ja.

Charles E. Peterson, Jr., SFO, RSBA, MBA President

John D. Musso

John D. Musso, CAE Executive Director



Financial Section

Goose Creek Consolidated Independent School District Baytown, Texas

For the Fiscal Year Ended June 30, 2018



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT Baytown, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Goose Creek Consolidated Independent School District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Change in Accounting Principle

As described in Notes I.B.1 to the financial statements, the District adopted new accounting guidance, Governmental Accounting Standards Board Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

Board of Trustees GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT Page 2

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, and TRS pension and OPEB schedules on pages 19-28, 77, and 78-83, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, compliance schedules required by the Texas Education Agency, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and compliance schedules required by the Texas Education Agency are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining and individual nonmajor fund financial statements and compliance schedules required by the Texas Education Agency are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Start, Gancia & Stanley

Start, Garcia & Stanley, LLC

Baytown, Texas November 2, 2018

As management of Goose Creek Consolidated Independent School District (the District), we provide this narrative overview of the District's financial performance for the year ended June 30, 2018. We encourage readers to consider the information presented below in conjunction with the information included in the independent auditors' report and the District's Basic Financial Statements which follow this section.

FINANCIAL HIGHLIGHTS

The District's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at June 30, 2018 by \$45 million on the government-wide financial statements.

During the year, the District adopted Statement No.75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB)*. With GASB 75, the District assumed their proportionate share of the Net Other Post-Employment Benefits (OPEB) liability of the Teacher Retirement System. As a result of the adoption of GASB 75, the District recorded a prior period adjustment of \$141 million related to its proportionate share of the net OPEB liability to restate beginning net position. The District's net OPEB liability at year end totaled \$80.4 million and the District's total net position decreased by \$86.5 million for the current fiscal period.

The District's governmental funds reported combined ending fund balances of \$154 million at June 30, 2018. Of this amount, \$1 million is non-spendable inventories and prepaid items and \$88.7 million is unassigned and available to spend at the District's discretion.

At the end of the current fiscal period, the total fund balance for the general fund was \$91 million, or 44% of total general fund expenditures. The unassigned fund balance of \$88.7 (43% of total general fund expenditures) is available to spend at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis (this section) is intended to serve as an introduction to the District's *basic financial statements*. The basic *financial statements* are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements. The *governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending. *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the District's self-insurance workers' compensation program. *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.
- The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

The basic financial statements are followed by a section of other *required supplementary information* that further explains and supports the information in the financial statements. The remainder of this overview section of *management's discussion and analysis* explains the structure and contents of each of the statements.

Basic Financial Statements

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. All of the District's services are reported in the government-wide financial statements, including instruction, instructional leadership, student support services, curriculum and staff development, general administration and debt services. Property taxes, state foundation funds and grants finance most of these activities.

The Statement of Net Position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as total net position. Net position is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net positions are indicators of whether its financial health is improving or deteriorating, respectively. To fully assess the overall health of the District, however, non-financial factors need to be considered as well, such as changes in the District's average daily attendance, its property tax base and the condition of the District's facilities.

The Statement of Activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements. The fund financial statements provide more detailed information about the District's most significant funds -- not the District as a whole.

Funds are accounting devices used by the District to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three fund types:

Governmental funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the information presented for governmental funds, with similar information presented for governmental

activities in the government-wide financial statements. In doing so, readers may better understand the longterm impact of the government's near-term financial decisions. To further assist readers, reconciliations are provided that include additional information explaining the relationship (or differences) between the fund financial statements and government-wide financial statements on Exhibits C-2 and C-4.

The District maintains numerous governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital project funds, which are considered to be major funds. Data from the other governmental funds are combined in a single, aggregated presentation. The District adopts an annual appropriated budget for its General Fund, Child Nutrition Program, and Debt Service Fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

Proprietary funds – Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. Proprietary funds, like government-wide statements, provide both long- and short-term financial information. The District reports one type of proprietary fund, the Internal Service Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses an internal service fund to report activities for its self-insured workers' compensation program.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary fund net position. The fiduciary funds are excluded from the activities reported in the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Required Supplementary Information relates to comparison of the original adopted budget, the final amended budget, and the actual results for the fiscal period. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds during the period.

In addition, information related to the District's proportionate share of its net pension liability, net OPEB liability, and contributions to the Texas Retirement System of Texas is also presented.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Presented in Tables I and II below are summarized Statement of Net Position and Statement of Activities for both current period and prior-year data. Our analysis focuses on the current period and the comparison of prior year amounts on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's total financial position. For the year ended June 30, 2018, assets and deferred outflows of resources exceed liabilities and deferred inflows by \$45 million which is a net decrease of \$86.5 million increase from 2017 when considering the prior period adjustment.

	0010111101110	
	2018	2017
Current and other assets	\$ 199,660	\$ 222,472
Capital assets	533,499	503,239
Total Assets	733,159	725,711
Deferred Outflows of Resources	25,736	27,665
Current liabilities	60,461	60,090
Long-term liabilities	609,199	556,576
Total Liabilities	669,660	616,666
Deferred Inflows of Resources	44,166	5,139
Net Investment in Capital Assets	67,487	66,756
Restricted	28,193	25,827
Unrestricted	(50,612)	38,988
Total Net Position	\$ 45,068	\$ 131,571

Table I - Net Position Summary (000's)

Governmental Activities

Net Investment in Capital Assets used for governmental activities (e.g., land, buildings and improvements, furniture and equipment, and construction in progress) is \$67.5 million as of June 30, 2018. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position, which can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, amounted to \$(50.6) million at June 30, 2018.

Changes in Net Position

The Net Position of the District decreased by \$86.5 million (net) for the fiscal year ended June 30, 2018. The total revenue from taxpayers, user service fees, grants and other sources for the District was \$259 million, an decrease from fiscal year 2017 of \$20.6 million. Total expenses for 2018 were \$204 million or \$71.3 million lower than expenses of fiscal year 2017. Due to the implementation of GASB 75, the District recorded an prior period adjustment of \$141 million, decreasing prior year's net position.

	Governmental Activities			ies
Revenues		2018	2017	
Program Revenues:				
Charges for services	\$	6,910	\$	7,494
Operating grants and contributions		(6,317)		35,603
General Revenues:				
Property taxes		162,293		152,338
State and other grants		79,112		77,044
Other		17,084		7,249
Total Revenues		259,082		279,728
Expenses				
Instructional		104,181		152,528
Instructional leadership		13,056		18,131
Student support services		31,536		40,468
General administration		5,600		7,013
Support services		5,279		6,606
Community services		549		1,956
Interest expense & debt service fees		16,404		18,693
Facilities repairs and maintenance		26,529		29,168
Intergovernmental charges		1,305		1,196
Total Expenses		204,439		275,759
Increase (decrease) in net position		54,643		3,969
Beginning Net Position		131,571		127,602
Prior Period Adjustment		(141,146)		-
Ending Net Position	\$	45,068	\$	131,571

Table II - Changes in Net Position (000's)

Changes in revenues and expenses for the year are not comparable to prior year due to the overall effects of GASB 75.

The decrease in Net Position of \$86.5 million results primarily from the implementation of GASB 75. Similar to GASB 68, *Accounting and Financial Reporting for Pensions*, GASB 75 established accounting and financial reporting requirements for governments that provide their employees with post-employment benefits other than pensions. (GASB 68 established accounting and financial reporting requirements for governments that provide their employees with pensions.) The primary objective of these Statements was to improve accounting and financial reporting by state and local governments.

Governments providing defined benefit pension plans and other post-employment benefits were required to recognize their long-term obligation for pension and OPEB benefits as a liability on their accrual-based, government-wide statement of net position. This provides citizens and other users of these financial reports

with a clearer picture of the size and nature of the financial obligations to current and former employees. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

The implementation of these standards clearly depicts the government's financial position. While this information will, in some cases, give the appearance that a government is financially weaker than it was previously, the financial reality of the government's situation will not have changed. Reporting the net pension liability and net OPEB liability on the face of the financial statements will more clearly portray the government's financial status because the pension and OPEB liabilities will be placed on an equal footing with other long-term obligations.

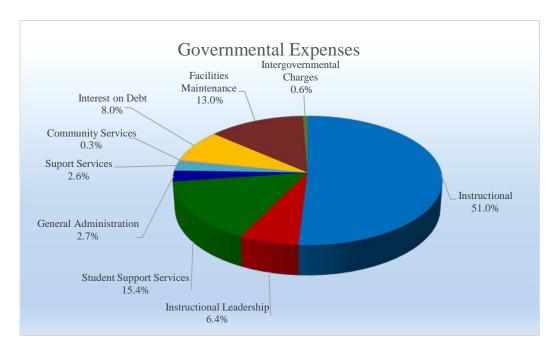
At June 30, 2018, the District reported a net pension liability of \$46.4 million for its proportionate share of TRS's net pension liability and a net OPEB liability of \$80.4 million for its proportional share of the Districts Other Post-employment benefits other than Pension.

Governmental Activities

Total revenues for the District's governmental activities for the fiscal year decreased by \$20.6 million or 7 percent over fiscal year 2017. Operating grants and contributions decreased by \$41.9 million. Local property tax revenues increased by \$10 million and state funding, local and program revenues increased by \$11.9 million. Total expenses decreased \$71.3 million.

Approximately 63 percent of the District's revenues came from property taxes, charges for services, and other local revenue, while 38 percent was derived from state aid and operating grants. Total governmental activities expenses per pupil in average daily attendance totaled \$9,164 in 2018 versus \$12,417 in 2017.

The District expended 57 percent of total governmental expense for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 73 percent of the District's expenses were for direct student services.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements, bond covenants, and segregation for particular purposes.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and the balances available for spending. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of June 30, 2018, the District's governmental funds (shown on Exhibit C-1) reported a combined ending fund balance of \$154.4 million, a decrease of \$22.3 million from the prior year, June 30, 2017.

Of the total fund balance, \$88.7 million, or approximately 57 percent, constitutes unassigned fund balance. The remainder of fund balance is non-spendable, restricted, committed or assigned for particular purposes as follows: (**000's**)

Nonspendable:	
Inventories	\$ 672
Prepaid items	338
Restricted:	
Grant Funds	3,947
Capital acquisitions and	
contractual obligation	23,111
Debt service	28,821
Restricted for other purposes	424
Committed:	
Committed for construction	5,408
Committed for other purposes	1,117
Assigned:	
Assigned for other purposes	1,472
Unassigned:	
Unassigned	 88,694
Total Fund Balances	\$ 154,004

The General Fund is the primary fund of the District. As of June 30, 2018, unassigned fund balance of the General Fund was \$88.7 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 43 percent of total general fund expenditures for the year ended June 30, 2018, while total fund balance represents 44 percent of that same amount.

The fund balance of the District's general fund increased \$17.7 million for the year ended June 30, 2018. The increase in fund balance resulted from a variety of sources but primarily from the higher property values and tax collections, pilot (supplemental) payments received from various Chapter 313 agreements with industry, grants for losses incurred from Hurricane Harvey, Foreign Trade Zone revenue and two property value study audits for prior years. The increase is also attributable to additional investment earnings.

The Debt Service Fund realized revenues of \$32 million and expenditures of \$35.6 million for the year ended June 30, 2018. Other financing sources net of uses totaling \$4.3 million resulted from a \$3 million operating transfer in from the General Fund and savings related to current-year bond refundings. The fund balance of the debt service fund, restricted for the payment of the District's debt, increased by \$794 thousand and totaled \$28.8 million as of June 30, 2018. Annual payments have been made to a sinking fund, reported

on the balance sheet as Restricted Assets, which will be used to pay the principal on the 2005A QZAB bonds upon maturity in fiscal year 2022.

The Capital Projects Fund incurred construction-related expenditures of \$50.7 million for the year ended June 30, 2018. Projects for 2018 included facility improvements to various campuses district-wide, upgrades to roofing, mechanical, electrical and plumbing, safety and security projects, a new technology management center and a new agriculture science facility. The existing Technology facility is being repurposed due to flooding caused by Hurricane Harvey and is currently under construction. The Capital Projects Fund reported other financing sources of \$7.8 million received from the General Fund for land acquisition and purchase of twenty-seven (27) school buses. Fund balance in the Capital Projects Fund at June 30, 2018 was \$28.9 million.

The Proprietary Funds statements (Exhibit D-1 to D-3) provide the same type of information found in the government-wide financial statement but in more detail. The District's internal service fund is used to support governmental activities of the District's self-insured workers' compensation program. The District's self-insured workers' compensation program total net position was \$1.75 million at June 30, 2018.

General Fund Budgetary Highlights

The District adopted a balanced operating budget for fiscal year 2018. Through budget amendments during the year, the District also provided for operating transfers out of \$6.6 million to the Capital Projects Fund to finance land acquisition and the purchase of school buses. The adopted budget revenues for 2018 were increased \$17.2 million (from \$214.8M to \$232M) due to additional revenues received from tax code chapter 313 agreements, increased local tax collections, revenue from two property value audits for prior years, foreign trade zone revenue and grants to help with losses in average daily attendance due to Hurricane Harvey. In addition, the District increased its budgeted operating expenditures by \$9 million (from \$209M to \$218M), resulting in an excess of budgeted revenues over expenditures of budget of \$3.3 million. These budget amendments were primarily for encumbrance carryforwards, staffing expenditures, repairs for damages to facilities related to Hurricane Harvey and the previously mentioned operating transfers to the capital projects fund.

For the year ended June 30, 2018, actual revenues were higher than estimated revenues by \$4.5 million. In addition, actual expenditures fell below budgeted expenditures and other sources and uses by \$9.9 million. This resulted in a net favorable variance of \$14.4 million. This favorable variance resulted primarily from both higher revenues and lower operating costs than projected. Also a delay in receiving goods and services ordered resulted in outstanding encumbrances to be rolled forward to the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, the District's investment in capital assets was \$533 million, net of accumulated depreciation. The investments in capital assets include a broad range of capital assets, including land, buildings and improvements (including infrastructure), furniture and equipment and construction in progress (see Table III). This amount represents a net increase (including additions and deductions) of \$30 million or 5.9 percent from last year.

	Governmental Activities			
		2018		2017
Land	\$	17,621	\$	13,808
Buildings and Improvements		672,315		621,697
Furniture and Equipment		46,302		38,971
Construction in Progress		27,243		42,836
Less Accumulated Depreciation		(229,982)		(214,074)
Total Capital Assets	\$	533,499	\$	503,238

Table III - Capital Asset Summary (000's)

The most significant addition to capital assets during 2018 was the construction of a new Technology center and Agriculture-Science facility and various improvements and additions to school buildings. Additional information on the District's capital assets can be found in Note II.B. of the financial statements.

Long-Term Liabilities

At June 30, 2018, the District had long-term liabilities of \$508 million. The District also has a loan agreement (LoanSTAR Revolving Loan Program) with the State Energy Conservation Office to reduce consumption of electrical energy throughout the District. The original loan totaled \$4.9 million, the project was completed March 2013 and a balance of \$2.1 million is owed at of June 30, 2018.

The District also has Series 2005 Qualified Zone Academy Bonds (QZAB) outstanding for which annual payments are made to sinking funds held at Wells Fargo Bank to be used to pay the principal on the bonds when they mature. More detailed information about the District's debt is presented in Note II.E. and II.F. of the financial statements.

The District's bonds are rated "AAA" by both Standard and Poor's and Fitch Ratings as a result of the guarantee by the Permanent School Fund of the State of Texas.

Governmental Activities	eginning Balance	A	lditions	R	eductions	Ending alance
Bonds Payable (net)	\$ 468,590	\$	108,085	\$	(125,000)	\$ 451,675
Other Liabilities	55,062		13,432		(12,177)	56,317
Total Long-Term Liabilities	\$ 523.652	\$	121.517	\$	(137.177)	\$ 507.992

Table IV – District's Outstanding Debt (000's)

Economic Factors, Next Year's Budgets and Tax Rates

The State of Texas provided very modest increases in state funding for public education for the 2018-2019 biennium which impacted the District. Although there was not an increase in the basic allotment, the 85th Legislature created a new Texas Commission on Public School Finance to develop and make recommendations for improvements to the current public school finance system.

The District approved a final amended General Fund budget for 2018-2019 with appropriations of \$218 million compared to a \$208.1 million final amended budget for fiscal period ended June 30, 2017, excluding

the operating transfers to the debts service and capital project funds. The 2018-2019 General Fund Budget included a general pay increase of two and one-half percent for employees.

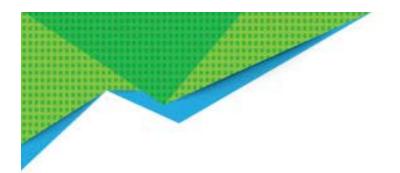
The Goose Creek CISD 2018-2019 budget included a maintenance and operations tax rate of \$1.17 and a debt service tax rate of \$.26189 for a total tax rate of \$1.43189 which represents no increase in the tax rate from the prior year.

The District has sold all of the bonds authorized by voters in May 2013, which included funding for new elementary schools, technology and transportation facilities, technology improvements to District facilities, major renovations to the Stuart-Kilgore Career Center, high school additions and improvements for the District's Career and Technology programs and other major improvements to existing facilities.

The District has entered into agreements pursuant to Tax Code, Chapter 313, Texas Economic Development Act, to strengthen the local economy by expanding the ad valorem property tax base. Long-term financial projections include additional local revenues which will help to improve the overall performance of the District's education system.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's financial services office.



BASIC FINANCIAL STATEMENTS



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT STATEMENT OF NET POSITION JUNE 30, 2018

Data		Primary Government		
Control Codes		Governmental		
		Activities		
ASSEIS				
1110 Ca	sh and Cash Equivalents	\$ 72,429,173		
1120 Cu	irrent Investments	86,392,384		
220 Pr	operty Taxes Receivable (Delinquent)	17,059,542		
230 Al	lowance for Uncollectible Taxes	(8,035,106)		
240 Di	e from Other Governments	24,542,712		
250 Ad	ccrued Interest	298,301		
290 Ot	her Receivables, net	264,573		
300 In	ventories	672,270		
410 Pr	ep ay ments	337,899		
Ca	pital Assets:			
	and	17,621,461		
	Buildings, Net	468,844,026		
	Surniture and Equipment, Net	19,790,768		
	Construction in Progress	27,242,438		
	estricted Assets	5,698,114		
000	Total Assets	733,158,555		
DEFERRI	ED OUTFLOWS OF RESOURCES			
701 E	Deferred Charge for Refunding	11,951,944		
	Deferred Outflow Related to TRS Pension	12,671,943		
	Deferred Outflow Related to TRS OPEB	1,111,791		
700	Total Deferred Outflows of Resources	25,735,678		
LIABILI	TIES			
110 Ad	counts Payable	8,093,636		
150 Pa	yroll Deductions & Withholdings	1,692,253		
	ccrued Wages Payable	22,490,574		
180 Di	ue to Other Governments	206,995		
200 Ad	ccrued Expenses	1,993,048		
300 Ui	nearned Revenue	402,555		
No	oncurrent Liabilities			
501 1	Due Within One Year	25,582,245		
	Due in More Than One Year	482,409,280		
	Net Pension Liability (District's Share)	46,385,532		
	Net OPEB Liability (District's Share)	80,404,052		
000	Total Liabilities	669,660,170		
DEFERR	ED INFLOWS OF RESOURCES			
605 I	Deferred Inflow Related to TRS Pension	10,532,651		
606 I	Deferred Inflow Related to TRS OPEB	33,633,167		
600	Total Deferred Inflows of Resources	44,165,818		
NET PO S	SITION			
200 Ne	et Investment in Capital Assets	67,486,822		
	stricted for Federal and State Programs	4,154,946		
	estricted for Debt Service	23,614,667		
	estricted for Other Purposes	423,861		
	nestricted	(50,612,051)		
000	Total Net Position			
500	I UTAL INEL FUSILIUII	\$ 45,068,245		

The notes to the financial statements are an integral part of this statement.

Net (Expense)

45,068,245

\$

GOOSE CREEK CONSOLIDA TED INDEPENDENT SCHOOL DISTRICT STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

				Program F	evenues	Revenue and Changes in Net
Data		1		3	4	Position 6
Control		1		3	Operating	Primary Gov.
Codes			(Charges for	Grants and	Governmental
		Expenses		Services	Contributions	Activities
Primary Government:						_
GOVERNMENTAL ACTIVITIES:						
11 Instruction	\$	98,645,173	\$	3,010,458	\$ (10,412,672) \$	(106,047,387)
12 Instructional Resources and Media Services		2,025,518		-	(349,697)	(2,375,215)
13 Curriculum and Staff Development		3,511,469		-	1,791,071	(1,720,398)
21 Instructional Leadership		3,426,218		-	(554,862)	(3,981,080)
23 School Leadership		9,629,379		-	(1,979,595)	(11,608,974)
31 Guidance, Counseling and Evaluation Service	es	5,279,058		166,147	(144,371)	(5,257,282)
32 Social Work Services		988,129		-	(91,992)	(1,080,121)
33 Health Services		1,609,137		-	137,649	(1,471,488)
34 Student (Pupil) Transportation		7,168,691		37,212	(1,333,502)	(8,464,981)
35 Food Services		11,896,570		2,515,103	9,960,332	578,865
36 Extracurricular Activities		4,594,326		256,273	(565,099)	(4,903,152)
41 General Administration		5,599,771		530,260	(834,816)	(5,904,327)
51 Facilities Maintenance and Operations		26,529,377		195,916	(1,831,296)	(28,164,757)
52 Security and Monitoring Services		1,857,073		-	(399,013)	(2,256,086)
53 Data Processing Services		3,421,573		-	(249,012)	(3,670,585)
61 Community Services		548,876		198,923	257,208	(92,745)
72 Debt Service - Interest on Long Term Debt		15,524,394		-	282,433	(15,241,961)
73 Debt Service - Bond Issuance Cost and Fees	-	879,682		-	-	(879,682)
95 Payments to Juvenile Justice Alternative Ed.	Prg.	19,800		-	-	(19,800)
99 Other Intergovernmental Charges		1,284,934		-	-	(1,284,934)
[TP] TOTAL PRIMARY GOVERNMENT:	\$	204,439,148	\$	6,910,292	\$ (6,317,234)	(203,846,090)
Data Control Codes Ge	eneral Rever Taxes:	uues:				
MT				for General Put		130,977,305
DT	Proper	ty Taxes, Lev	ied f	for Debt Servic	e	31,315,039
SF	State Aid	- Formula Grai	nts			76,651,533
GC	Grants and	d Contribution	ns no	ot Restricted		2,460,804
IE		t Earnings				2,718,134
MI	Miscellane	eous Local an	d In	termediate Rev	venue	14,365,990
TR T	otal Genera	l Revenues			_	258,488,805
CN		Change in N	let Po	osition		54,642,715
NB NB	et Position -	Beginning				131,571,292
		djustment - GA	ASB 7	75		(141,145,762)
		5			-	

NE

Net Position--Ending

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2018

Data		10	50		60
Contro	ol	General	Debt Service		Capital
Codes		Fund	Fund	Р	rojects Fund
AS	SETS				
1110	Cash and Cash Equivalents	\$ 39,436,064 \$		\$	20,459,619
1120	Investments - Current	72,392,384	13,000,000		1,000,000
1220	Property Taxes - Delinquent	13,875,083	3,184,459		-
1230	Allowance for Uncollectible Taxes (Credit)	(6,561,275)	(1,473,831)		-
1240	Receivables from Other Governments	17,267,234	-		-
1250	Accrued Interest	198,461	93,089		6,751
1260	Due from Other Funds	5,666,913	14,989		12,838,088
1290	Other Receivables	109,691	-		-
1300	Inventories	458,104	-		-
1410	Prepayments	337,899	-		-
1800	Restricted Assets	 	5,698,114		-
1000	Total Assets	\$ 143,180,558	30,592,024	\$	34,304,458
	ABILITIES				
2110	Accounts Payable	\$ 3,137,202 \$	-	\$	4,519,279
2150	Payroll Deductions and Withholdings Payable	1,692,253	-		-
2160	Accrued Wages Payable	20,398,094	-		428
2170	Due to Other Funds	19,439,965	60,862		-
2180	Due to Other Governments	206,995	-		-
2200 2300	Accrued Expenditures Unearned Revenues	25,807 3,766	-		1,265,082
2000	Total Liabilities	 44,904,082	60,862	·	5,784,789
		 	00,802	·	5,704,709
2601	FERRED INFLOWS OF RESOURCES	7,313,808	1,710,628		
	Unavailable Revenue - Property Taxes	 		·	-
2600	Total Deferred Inflows of Resources	 7,313,808	1,710,628		-
FU	ND BALANCES				
3410	Nonspendable Fund Balance: Inventories	458,104			
3430	Prepaid Items	438,104 337,899	-		-
5450	Restricted Fund Balance:	557,699	-		-
3450	Federal or State Funds Grant Restriction				
3470	Capital Acquisition and Contractural Obligation		_		23,111,216
3480	Retirement of Long-Term Debt	_	28,820,534		
3490	Other Restricted Fund Balance	_	-		-
	Committed Fund Balance:				
3510	Construction	_	-		5,408,453
3545	Other Committed Fund Balance	-	-		-
	Assigned Fund Balance:				
3590	Other Assigned Fund Balance	1,472,193	-		-
3600	Unassigned Fund Balance	88,694,472	-		-
3000	Total Fund Balances	 90,962,668	28,820,534		28,519,669

	Nonmajor		Total
	Governmental		Governmental Funds
	Funds		Fullas
\$	3,899	\$	69,974,786
	-		86,392,384
	-		17,059,542
	-		(8,035,106)
	7,275,478		24,542,712
	-		298,301
	6,586,888		25,106,878
	154,882		264,573
	214,166		672,270
	-		337,899
	-		5,698,114
\$	14,235,313	\$	222,312,353
-		_	
\$	437,155	\$	8,093,636
	-		1,692,253
	2,092,052		22,490,574
	5,606,051		25,106,878
	-		206,995
	_		1,290,889
	398,789		402,555
_	· · · · · · · · · · · · · · · · · · ·		
_	8,534,047	_	59,283,780
	-		9,024,436
	-	_	9,024,436
			- ,- ,
	014.100		(72.)70
	214,166		672,270 337,899
			,
	3,946,652		3,946,652
	-		23,111,216
	-		28,820,534
	423,861		423,861
	-		5,408,453
	1,116,587		1,116,587
	-		1,472,193
	-		88,694,472
_		_	
	5,701,266	_	154,004,137
\$	14,235,313	\$	222,312,353

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GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2018

Total Fund Balances - Governmental Funds	\$	154,004,137
1 The District uses internal service fund to charge the costs of the District's self-insured workers' compensation plan. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		1,752,228
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of these assets is \$763,481,345 and the accumulated depreciation is \$229,982,652. The net effect is an increase to net position (See Note II. B.).		533,498,693
3 Long-term liabilities, including bonds payable, accrued interest, and liabilities associated with long-term debt, are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds. The effect of these long-term liabilities is a decrease to net position (See Note II. E.).		(507,991,525)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$46,385,532, a deferred inflow of resources related to TRS in the amount of \$10,532,651, and a deferred outflow of resources related to TRS in the amount of \$12,671,943. The effect of these pension related items is a decrease to net position (See Note III.E.).		(44,246,240)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75 in the amount of \$80,404,052, a deferred inflow of resources related to TRS in the amount of \$33,633,167, and a deferred outflow of resources related to TRS in the amount of \$1,111,791. The effect of these pension related items is a decrease to net position (See Note III.C.).	;	(112,925,428)
6 Recognizing deferred revenue (property taxes) as revenue in the government-wide statements to convert from modified accrual basis of accounting to the accrual basis of accounting. The net effect is an increase to net position.		9,024,436
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include eliminating interfund transactions and recognizing the bond components (deferred charge on refunding) associated with bonds. The net effect of these reclassifications and recognitions is to increase net position.		11,951,944
19 Net Position of Governmental Activities	\$	45,068,245

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018

Data Contro Codes	1	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund
5700 5800 5900	REVENUES: Total Local and Intermediate Sources State Program Revenues Federal Program Revenues	\$ 148,042,753 85,720,320 2,818,599	\$ 31,769,718 282,433	\$ 788,267 - -
5020	Total Revenues	 236,581,672	32,052,151	788,267
5020	EXPENDITURES:	 		
Cu	irrent:			
0011	Instruction	121,599,638	-	2,200,800
0012	Instructional Resources and Media Services	2,091,780	-	403,827
0013	Curriculum and Instructional Staff Development	2,166,506	-	-
0021	Instructional Leadership	4,311,933	-	-
0023	School Leadership	12,783,668	-	-
0031	Guidance, Counseling and Evaluation Services	5,899,144	-	-
0032	Social Work Services	875,956	-	-
0033	Health Services	1,611,819	-	-
0034	Student (Pupil) Transportation	8,664,108	-	2,180,860
0035	Food Services	16,715	-	-
0036	Extracurricular Activities	4,460,093	-	-
0041	General Administration	7,215,205	-	1,649
0051	Facilities Maintenance and Operations	27,021,673	-	1,130,920
0052	Security and Monitoring Services	2,349,420	-	99,324
0053	Data Processing Services	4,349,306	-	182,876
0061	Community Services	207,912	-	-
De	bt Service:			
0071	Principal on Long Term Debt	607,325	16,210,000	-
0072	Interest on Long Term Debt	79,663	18,488,390	-
0073	Bond Issuance Cost and Fees	-	879,682	-
Ca	pital Outlay:			
0081	Facilities Acquisition and Construction	448,708	-	44,469,857
Int	ergovernmental:			
0095	Payments to Juvenile Justice Alternative Ed. Prg.	19,800	-	-
0099	Other Intergovernmental Charges	1,284,934	-	-
6030	Total Expenditures	 208,065,306	35,578,072	50,670,113
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	 28,516,366	(3,525,921)	(49,881,846)
	OTHER FINANCING SOURCES (USES):			
7901	Refunding Bonds Issued	-	108,085,000	-
7915	Transfers In	28	3,000,000	7,786,240
7916	Premium or Discount on Issuance of Bonds	-	13,151,703	-
7917	Prepaid Interest	-	279,759	-
7949	Other Resources	-	320,200	-
8911	Transfers Out (Use)	(10,786,240)	-	-
8940	Payment to Bond Refunding Escrow Agent (Use)	-	(120,516,942)	-
7080	Total Other Financing Sources (Uses)	 (10,786,212)	4,319,720	7,786,240
1200	Net Change in Fund Balances	 17,730,154	793,799	(42,095,606)
0100	Fund Balance - July 1 (Beginning)	73,232,514	28,026,735	70,615,275
3000	Fund Balance - June 30 (Ending)	\$ 90,962,668		\$ 28,519,669

Nonmajor	Total
Governmental	Governmental
Funds	Funds
\$ 6,316,558	¢ 186.017.006
2,872,333	,
24,260,563	88,875,086
	27,079,162
33,449,454	302,871,544
12,779,749	136,580,187
868	2,496,475
2,014,290	4,180,796
214,229	4,526,162
608,201	13,391,869
1,229,393	7,128,537
26,087	902,043
559,295	2,171,114
78,405	10,923,373
12,615,595	12,632,310
1,168,517	5,628,610
-	7,216,854
524,788	28,677,381
521,700	2,448,744
288,085	
484,081	4,820,267 691,993
,	,
-	16,817,325
-	18,568,053
-	879,682
-	44,918,565
-	19,800
	1,284,934
32,591,583	326,905,074
857,871	(24,033,530)
	100 005 000
-	108,085,000
-	10,786,268
-	13,151,703
-	279,759
-	320,200
(28)	(- , , ,
-	(120,516,942)
(28)) 1,319,720
857,843	(22,713,810)
4,843,423	176,717,947
\$ 5,701,266	\$ 154,004,137

EXHIBIT C-4

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT EXHI RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds	\$ (22,713,810)
The District uses an internal service fund to charge the costs of the District's self- insured workers' compensation plan to appropriate functions in other funds. The net loss of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	663,445
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2018 capital outlays is to increase net position. (See Note II. B.)	49,835,767
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect is to increase net position. (See Note II. E.)	15,660,141
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (See Note II.B.)	(19,343,746)
Changes in the District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the Teacher Retirement System of Texas for the current year are not reported in governmental funds but are reported in the government-wide financial statements. The net effect of these changes is a decrease to net position.	(477,852)
Changes in the District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the Texas Public School Retired Employees Group Insurance Program (TRS-Care) for the current year are not reported in governmental funds but are reported in the government-wide financial statements. The net effect of these changes is an increase to net position.	28,220,334
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, recognizing the net effect of retirement of capital assets, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	2,798,436
Change in Net Position of Governmental Activities	\$ 54,642,715

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2018

	Governmental Activities -
	Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,454,387
Total Assets	2,454,387
LIABILITIES	
Current Liabilities:	
Accrued Expenses	702,159
Total Liabilities	702,159
NET POSITION	
Unrestricted Net Position	1,752,228
Total Net Position	\$ 1,752,228

GOOSE CREEK CONSOLIDA TED INDEPENDENT SCHOOL DISTRICT STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities -	
	Internal Service Fund	
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 981,307	
Total Operating Revenues	981,307	
OPERATING EXPENSES:		
Payroll Costs	317,862	
Total Operating Expenses	317,862	
Operating Income	663,445	
Total Net Position - July 1 (Beginning)	1,088,783	
Total Net Position - June 30 (Ending)	\$ 1,752,228	

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities -	
	Internal Service Fund	
Cash Flows from Operating Activities:		
Cash Received from User Charges Cash Payments for Claims & Operating Expenses	\$ 981,307 (317,862)	
Net Cash Provided by Operating Activities	663,445	
Net Increase in Cash and Cash Equivalents	432,636	
Cash and Cash Equivalents at Beginning of Year	2,021,751	
Cash and Cash Equivalents at End of Year	\$ 2,454,387	
Reconciliation of Operating Income to Net Cash		
<u>Provided by Operating Activities:</u> Operating Income:	\$ 663,445	
Effect of Increases and Decreases in Current Assets and Liabilities:		
Increase (decrease) in Accounts Payable Increase (decrease) in Accrued Expenses	(31,164) (199,645)	
Net Cash Provided by Operating	(177,043)	
Activities	\$ 432,636	

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2018

	Private Purpose Trust Fun	1	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 62,52	1 \$	666,429
Investments - Current	100,00	0	-
Accrued Interest	41	1	-
Other Receivables	1,72	2	-
Total Assets	164,65	4 \$	666,429
LIABILITIES			
Accounts Payable	1,50	0 \$	34,858
Due to Student Groups	-		631,571
Total Liabilities	1,50	0 \$	666,429
NET POSITION			
Held in Trust for Private Purposes	163,15	4	
Total Net Position	\$ 163,15	4	

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Private Purpose Trust Fund
ADDITIONS:	
Local and Intermediate Sources	\$ 22,355
Total Additions	22,355
DEDUCTIONS:	
Other Operating Costs	17,640
Total Deductions	17,640
Change in Net Position	4,715
Total Net Position - July 1 (Beginning)	158,439
Total Net Position - June 30 (Ending)	\$ 163,154

I. Summary of Significant Accounting Policies

The basic financial statements of Goose Creek Consolidated Independent School District (the "District") have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's *Financial Accountability System Resource Guide* ("FASRG"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Board of Trustees (the "Board"), a seven member group, has fiscal responsibility over all activities related to public elementary and secondary education within the jurisdiction of the District. The public elects the Board that corporately has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the Texas State Board of Education are reserved for the Board, and TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB Statement No. 61, "*The Financial Reporting Entity*": *Omnibus - an amendment by GASB Statements No. 14 and 34.* There are no component units or entities for which the District is considered financially accountable included within the reporting entity.

B. Basis of Presentation

1. New GASB Pronouncements

GASB has issued several new pronouncements that the District has reviewed for application to their accounting and reporting.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), is effective for periods beginning after June 15, 2017. This statement replaces the requirements of GASB Statement No. 45 and requires the District to report a liability (including any related deferred outflows or inflows of resources) on the statement of net position for other post-employment benefits administered through trusts or similar arrangement that meet certain criteria. This statement also requires enhanced note disclosures and schedules of required supplementary information.

2. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effects of interfund activities not involving services provided and used have been eliminated in these statements. Governmental activities are generally financed through tax revenues and intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Indirect costs are allocated based on the ratio of function expense to total expense. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Revenues not classified as program revenues, including taxes, are reported as general revenues.

3. Fund Financial Statements

The District presents separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are reported in the aggregate as nonmajor funds.

C. Fund Accounting

District financial records are maintained in fund groups that are organized by sub-funds within a separate set of self-balancing accounts. There are three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds

Most governmental functions of the District are financed through governmental funds. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The general fund, the debt service fund, and the capital projects fund are the District's major governmental funds.

General Fund – This fund accounts for resources which finance the fundamental operations of the District. It includes all financial resources not required to be accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation School Program. All expenditures related to the daily operations of the District are included except specific program expenditures funded by the federal or state government, food service, debt service, and capital projects. This is a budgeted fund and any fund balances are considered resources available for current operations.

Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund – This fund accounts for proceeds from the sale of voter-approved bonds and other resources to be used for Board authorized acquisition, construction, and renovations of major capital facilities as well as providing their furnishings and equipment. Upon completion of a bond project, any unused proceeds are transferred to the debt service fund to retire related bond principal.

The other governmental funds of the District account for grants and other resources of the District whose uses are restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods. With respect to the food service and campus activity funds, funds are rolled over from year to year for use in the program.

2. Proprietary Fund

Propriety funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the District's internal service fund include charges of certain services and activities to other individual funds of the District on a cost reimbursement basis. Operating expenses include insurance claims, premiums, and administrative costs for the workers' compensation program. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The District uses the following internal service fund:

Workers' Compensation Fund – The District's statutory workers' compensation obligations are accounted for in the internal service fund using a cost reimbursement basis. All funds within the District that expend resources for salaries and wages contribute a percentage to the workers' compensation program.

3. Fiduciary Funds

Private Purpose Trust Fund – This fund accounts for donations to scholarship funds received by the District for awards to current and former students for post-secondary education purposes.

Agency Fund – This fund accounts for the resources of student groups and other campus organizations received by the District in a custodial capacity that do not constitute District property.

D. Measurement Focus and Basis of Accounting

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements while agency funds have no measurement focus. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources associated with the operation of the District are included in the statement of net position. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recorded as revenues in the year of levy.

2. Fund Financial Statements

All governmental fund statements are prepared using a flow of current financial resources measurement focus and the modified accrual basis. Only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. Revenues are recognized when measurable and available. Revenues (excluding property taxes) are considered available if they are expected to be collected during the current budgetary period or within 60 days thereafter to pay liabilities outstanding at the close of the budgetary period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. To reflect the differences in the manner in which the District accounts for its financial resources in the government-wide financial statements and the fund financial statements, reconciliations are provided in the fund financial statements.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept, meaning they must be available and measurable. Miscellaneous revenues, recorded when received, are generally not measurable until actually received; however, interest revenue and building rentals are recorded when earned since they are measurable and available.

Revenues from state and federal grants are considered earned to the extent of expenditures made under the provisions of the grant. Funds received but unearned are reflected as unearned revenues or if required, returned to the grantor agency. Funds expended but not yet received are shown as receivables. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted funds are available.

E. Assets, Liabilities, and Net Position or Fund Equity

1. Deposits and Investments

Under Texas state law, a bank serving as the school depository must have a bond, or in lieu thereof, deposited or pledged securities with the District or an independent third party agent, in an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

Investments consist of balances in privately managed public funds investment pools, commercial paper, municipal bonds, and U.S. agencies. Investments with maturities exceeding 12 months at the date of purchase are stated at fair value based on quoted market prices at year-end date. Investments with maturities of 12 months or less at the date of purchase are held at amortized cost and net asset value (NAV).

2. Cash and Cash Equivalents

For purposes of the statement of cash flows for proprietary funds, the District considers cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition to be cash and cash equivalents.

3. Property Taxes

Property taxes are considered available when collected within the current period. The District levies taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and become past due, subject to interest and penalty, if not paid by February 1 of the year following the October 1 levy date. On January 1 of each year, a tax lien attaches to property securing payment of all taxes, penalties, and interest ultimately imposed. The tax rates assessed for the year ended June 30, 2018 to finance general fund operations and voter approved debt service principal and interest payments were \$1.17 and \$.26189, respectively, per \$100 of assessed valuation for a total tax rate of \$1.43189.

Current tax collections for the year ended June 30, 2018 were 98% of the year-end adjusted levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of levy. A significant portion of delinquent taxes outstanding at any fiscal year end is generally not collected in the ensuing fiscal year. Allowances for uncollectible taxes within the general and debt service funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The property taxes receivable allowance is approximately 50% of outstanding property taxes receivable at June 30, 2018.

Property taxes (and payments in lieu of property taxes) collected from three major petrochemical complexes within the District for the year ended June 30, 2018 accounted for approximately 30% of the District's total combined revenues.

4. Due From (To) Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded in all affected funds in the period in which transactions are executed in the normal course of operations. Interfund receivables and payables are eliminated in the government-wide financial statements as are transfers between funds.

5. Inventories

The District reports inventories of supplies using the first-in, first-out method of accounting. Inventories for food, school, maintenance, and custodial supplies are carried at cost and charged to a respective fund expenditure account when consumed. Inventories of food commodities are recorded at fair values. Although commodities are received at no cost, their fair value is provided by the Texas Department of Agriculture and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized in an equal amount.

6. Prepayments (i.e., Deferred Expenditures/Expenses)

Certain payments to vendors reflect costs applicable to the next fiscal period and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method and are recognized as expenditures/expenses proportionately over the periods in which the services are provided.

7. Capital Assets

Land, buildings and improvements, furniture, and equipment either acquired or constructed for general purposes through the governmental funds are recorded as capital assets in the government-wide financial statements. Donated assets are recorded at acquisition value on the date of acceptance. Furniture and equipment costing in excess of \$5,000 are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. When assets are retired or disposed of, the related costs or other recorded amounts are removed.

Capital assets of the District are being depreciated using the straight-line method over the following estimated useful lives:

Capital Asset:	Years
Land Improvements	20
Buildings	40-60
Building Improvements	20
Furniture, Fixtures & Equipment	5-20
Buses & Vehicles	7-15

8. Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the statement of net position and balance sheet as described below:

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- Deferred outflow of resources for refunding Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflow of resources for pension Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to

pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

• Deferred outflow of resources for OPEB – Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The other OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan.

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- Deferred inflow of resources for unavailable revenues Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflow of resources for pension Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period.
- Deferred inflow of resources for OPEB Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and from changes in assumptions. These amounts will be amortized over the average expected remailing service life of all members.

9. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term indebtedness is reported as a liability. Bond premiums and discounts, as well as defeasance costs, are deferred and amortized over the life of the bonds using the straight-line method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium, discount, and other costs.

In the fund financial statements, bond premiums (net of discounts) are recognized in the current period and recorded as other financing sources. Issuance costs are recognized in the current period as debt service expenditures. The face amount of the debt issued is reported as other financing sources; whereas, bonds refunded during the period are recorded as other financing uses.

10. Compensated Absences

District employees earning vacation leave are permitted to accumulate up to five unused days to be used in the next fiscal year. Such days do not vest. Accordingly, no liability has been recorded in the accompanying financial statements.

District employees are entitled to sick leave based on category/class of employment. Sick leave accumulates but does not vest. Therefore, a liability for unused sick leave has not been recorded in the accompanying financial statements.

11. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Post-Employment Benefits

The fiduciary net position of the TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post- employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

13. Fund Balance

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. The government fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective government funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. (Inventories and Prepaid Items are considered *Nonspendable* as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.)
- *Restricted* includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* includes amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed 100 percent of Fund 461 Campus Activity Funds' fund balance.
- Assigned includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the Superintendent or Chief Financial Officer through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the *general fund*.

• Unassigned – includes the residual fund balance for amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the *general fund*. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Board has adopted a minimum fund balance policy for the *general fund* and *debt service fund* to have sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. This policy requires the District to maintain three months unassigned fund balance in the general fund and ten percent of the projected annual debt service payments in restricted fund balance in the debt service fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

14. Net Position

Net Position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The classifications used in the government-wide financial statements are as follows:

- *Net investment in capital assets* This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- *Restricted net position* This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted net position This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

15. Budgetary Data

The Board adopts an "appropriated budget" for the General Fund, the Child Nutrition Fund (which is included in the Special Revenue Funds) and Debt Service Fund. The District compares the final amended budget to actual revenues and expenditures. The Budgetary Comparison Schedules appear in Exhibits F-1, I-2, and I-3.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a) Prior to June 20, the District prepares an operating budget for the next succeeding fiscal year beginning July 1. The budget includes proposed expenditures and the means of financing them.
- b) A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten day's public notice of the meeting must be given.
- c) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval

of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after the fiscal year end.

- d) Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.
- e) Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

16. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

The amount of state foundation and available school revenue a school district earns for a year, can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30 will change and those changes could be material. For the year ended June 30, 2018, the District received approximately 30% of revenues from the State of Texas.

17. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

II. Detailed Notes On All Funds

A. Deposits and Investments

A summary of the District's cash and investments by fund at June 30, 2018 is shown below: (000's)

	Cash and Deposits]	Investment Pools		Total Cash & Cash Equivalents		Investments	otal Cash & westments
Governmental funds:								
General fund	\$ 1,630	\$	37,806	\$	39,436	\$	72,392	\$ 111,828
Debt service fund	-		10,075		10,075		13,000	23,075
Capital projects fund	-		20,460		20,460		1,000	21,460
Other governmental funds	 4				4			 4
Total governmental funds	 1,634		68,341		69,975		86,392	 156,367
Proprietary funds	 2,454				2,454			 2,454
Fiduciary funds	 162		566		728		100	 828
Total	\$ 4,250	\$	68,907	\$	73,157	\$	86,492	\$ 159,649

At June 30, 2018, the net carrying amount of the District's cash and deposits was \$4,250,726 and the bank balance was \$7,828,184. At June 30, 2018, the District's combined deposits were fully insured by FDIC insurance or collateralized with securities (Irrevocable Standby Letter of Credit) held by the Bank's agent in the District's name.

The Public Funds Investment Act ("the Act") and Board policy governs the District's investment policies. The Act contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits. Statutes authorize the District to invest in: (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) repurchase agreements, (4) securities lending programs, (5) bankers acceptances, (6) commercial paper, (7) mutual funds, (8) guaranteed investment contracts (9) investment pools, (10) corporate bonds, and (11) fully insured or collateralized interest bearing accounts.

						Investmen	urity		
					L	ess Than 1			Percent of
Investment Type:		Cost	Fair	Value **		Year	1 -	2 Years	Portfolio
Cash in Bank	\$	4,250	\$	4,250	\$	4,250	\$	-	3%
Local Government Investment Pools:									
TexPool		15,148		15,148		15,148		-	9%
LoneStar		13,156		13,156		13,156		-	8%
LOGIC		8,795		8,795		8,795		-	6%
TexasTERM (daily)		56		56		56		-	0%
TexasCLASS		31,752		31,752		31,752		-	20%
Cash and Cash Equivalents - subtotal		73,157		73,157		73,157			
Municipal Obligations		1,055		1,055		1,055		-	1%
US Agencies		30,528		30,528		30,528		-	19%
Commercial Paper		22,366		22,366		22,366		-	14%
Corporate Bonds		1,893		1,893		1,893		-	1%
Local Government Investment Pools:									
TexasTERM (fixed)		30,650		30,650		30,650		-	19%
Investments - subtotal	\$	86,492	\$	86,492	\$	86,492	\$	-	
Total Cash & Investments	\$	159,649	\$	159,649	\$	159,649	\$		100%

The District's cash equivalents and investments at June 30, 2018 are as shown below: (000's)

**The fair value of the position in the external investment pools is the same as the value of the pool shares. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

Texas Local Government Investment Pool ("TexPool"), Lone Star Investment Pool ("LoneStar"), Local Government Investment Cooperative ("LOGIC"), TexasTERM Local Government Investment Pool ("TexasTERM"), and Texas Cooperative Liquid Assets Securities System ("TexasCLASS") are local government investment "pools" organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in TexPool, LoneStar, LOGIC, TexasTERM, and TexasCLASS are reported at amortized cost. Deposits and withdrawals can be made on any business day of the week. The pools have a redemption notice of one day, which may be redeemed daily. The pools may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or a national state of emergency that affects the pools liquidity. There are no limits on the number of accounts a participant can have or the number of transactions. The District has no unfunded commitments related to the pools.

The District's management believes that it has complied with the requirements of the Act and with local policies.

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following investment risks at year end and if so, the reporting of certain related disclosures:

1) <u>Credit Risk</u> – State law and the District's Investment Policy restrict time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks and savings banks) doing business in Texas. By State law, Certificate of Deposits ("CD") are further collateralized to 100% and 110% if collateral pledged is a mortgage-backed security. CD's are limited to a stated maturity of one year. Brokered CD's must be FDIC insured and delivered versus payments to the District's depository. Maximum maturity is one year and FDIC insurance must be verified before purchase. The District's Investment Policy requires 102% with pledged securities (with 110% margin on mortgage-backed securities) and all collateral is to be held by an independent custodian. State law and the District's Investment Policy requires inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating.

State law and the District's Investment Policy limit repurchase agreements to Texas banks and primary dealers. The law requires an industry standard, written master repurchase agreement; independent safekeeping of collateral; and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of three months. Fully collateralized flex repurchase agreements are restricted to the use in bond funds and are required to match the expenditure schedule of the bonds.

Municipal obligations of the State of Texas or any other state or political subdivision must be rated A or better by at least two nationally recognized securities ratings organizations (NRSRO) and have a stated maturity less than two years.

Commercial paper is restricted by state law and the District's Investment Policy to dual rated A1/P1 paper and is limited by the District's Investment Policy to mature in 270 days or less.

Fully FDIC insured brokered certificates of deposit securities must be delivered versus payment and not exceed one (1) year to stated maturity. The FDIC status of the bank must be monitored weekly and includes procedures to follow in the case of an affected merger or acquisition.

State of Texas local government investment pools, as defined by State law (2256.016) and approved by the District's Investment Policy, are authorized. By State law all local government pools must be rated AAA or equivalent by at least one NRSRO.

The District's Investment Policy allows investment in AAA rated money market mutual fund accounts.

2) <u>Custodial Credit Risk</u> – To control custody risk State law and the District's Investment Policy require collateral for all time and demand deposits and repurchase agreements with securities transferred only on a delivery versus payment basis and held by an independent party approved by the District and held in the District's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions and position descriptions including

market value. Repurchase agreements and deposits must be collateralized to 102% (with 110% on mortgage-backed securities) and transactions are required to be executed under a written agreement. At year end, the District was not exposed to custodial credit risk.

 <u>Concentration of Credit Risk</u> – The District's Investment Policy requires diversification on all authorized investment types which are monitored on at least a monthly basis. The District's Investment Policy requires the following diversification:

Type of Investment	Maximum Allowed % of Portfolio
Money Market Accounts	100%
Certificates of Deposit	40%
Brokered FDIC CD's	15%
U.S. Government Securities	100%
State and Local Obligations	40%
Repurchase Agreements	100%
Interest Bearing Accounts	100%
Investment Pools	100%
Money Market Mutual Funds	15%
Commercial Paper	40%

At year end, the District was not exposed to concentration of custodial credit risk.

4) <u>Interest Rate Risk</u> – In order to limit interest and market rate risk from changes in interest rates, the District's Investment Policy sets a maximum maturity of three (3) years and a maximum weighted average maturity (WAM) of one (1) year. At year end, the District was not exposed to interest rate risk.

GASB Statement No. 72 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology are quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Short-term investments, such as money market investments, commercial paper, banker's acceptances, and U.S. Treasury and agency obligations, with a remaining maturity at time of purchase of one year or less, are exempt from fair value measurement and may be reported at amortized cost. At June 30, 2018, the District had no investments subject to fair value measurement.

The District's sinking funds at June 30, 2018 were invested in the following: (000's)

Investment	 Cost	Fa	ir Value	Maturity
U.S. Treasury Note	\$ 5,647	\$	5,698	11/15/21
Total Restricted Assets	\$ 5,647	\$	5,698	

The sinking fund above is held in the District's name and was established to invest the annual contributions required for future principal payments on the Series 2005 Qualified Zone Academy Bonds ("QZAB"). Annual contributions continue until the bonds mature in fiscal year 2022. Use of the sinking fund is restricted for the QZAB principal payments only (See Note II. E).

B. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows: (000's)

	B	eginning								Ending
]	Balances		Additions		Deletions	Transfers		Balances	
Capital assets not being depreciated:										
Land	\$	13,808	\$	3,813	\$	-	\$	-	\$	17,621
Construction in progress		42,836		17,774		-		(33,367)		27,243
Total capital assets not being depreciated		56,644		21,587		-		(33,367)		44,864
Capital assets being depreciated:										
Buildings and improvements		621,697		22,734		(2,844)		30,728		672,315
Furniture and equipment		38,971		5,515		(823)		2,639		46,302
Total capital assets being depreciated		660,668		28,249		(3,667)		33,367		718,617
Less accumulated depreciation for:								-		
Buildings and improvements		(189,376)		(16,749)		2,655		-		(203,470)
Furniture and equipment		(24,698)		(2,594)		780		-		(26,512)
Total accumulated depreciation		(214,074)		(19,343)		3,435				(229,982)
Capital assets, net	\$	503,238	\$	30,493	\$	(232)	\$	-	\$	533,499

Depreciation expense was charged to the following functions as follows: (000's)

Instruction	\$ 11,018
Instructional resources and media services	246
Curriculum and instructional staff development	329
Instructional leadership	337
School leadership	973
Guidance, counseling and evaluation services	583
Social work services	86
Health services	154
Student (pupil) transportation	711
Food services	1,133
Extracurricular activities	440
General administration	533
Facilities maintenance and operations	2,158
Security and monitoring services	224
Data processing services	280
Community services	 138
Total depreciation expense	\$ 19,343

C. Receivables and Unearned Revenue

Receivables as of June 30, 2018, for the District's individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts are as follows: (**000's**)

	 General Fund	 Debt Service Fund	 Capital Projects Funds	Non-major Governmental Funds		Total
Taxes	\$ 8,109	\$ 1,985	\$ -	\$	- \$	10,094
Taxes - penalty & interest	5,766	1,199	-		-	6,965
Due from other governments-federal	1,654	-	-	5,984	Ļ	7,638
Due from other governments-state	15,423	-	-	317	7	15,740
Due from other governments-other	190	-	-	974	Ļ	1,164
Interest	198	93	7		-	298
Other receivables	 110	 -	 -	155	5	265
Gross receivables	31,450	3,277	7	7,430)	42,164
Less: allowance for uncollectibles	 (6,561)	 (1,474)	 -			(8,035)
Net total receivables	\$ 24,889	\$ 1,803	\$ 7	\$ 7,430) \$	34,129

Unearned revenue at June 30, 2018, for the District's governmental funds is as follows: (000's)

	Unavailable			Unearned	
Delinquent property taxes receivable - General Fund	\$	7,314	\$	-	
Delinquent property taxes receivable - Debt Service Fund		1,711		-	
Federal food commodities		-		13	
Advance funding		-		390	
Total deferred revenue	\$	9,025	\$	403	

D. Interfund Receivables, Payables and Transfers

Interfund balances in the fund financial statements at June 30, 2018 consisted of the following: (000's)

Fund	Receivable]	Payable
General Fund:				
Debt Service Fund	\$	61	\$	15
Capital Projects Fund		-		12,838
Nonmajor Governmental Funds		5,606		6,587
Total General Fund	\$	5,667	\$	19,440
Debt Service Fund:				
General Fund	\$	15	\$	61
Capital Projects Fund				
General Fund	\$	12,838	\$	-
Nonmajor Governmental Funds:				
General Fund	\$	6,587	\$	5,606
Total	¢	25 107	¢	25 107
Total	\$	25,107	<u>э</u>	25,107

District expenditures are paid from a centralized-pooled operating bank account maintained in the general fund. Since all cash transactions flow through this account, each District fund carries a receivable/payable balance with the general fund. This balance will be repaid within one year.

Interfund transfers in the fund financial statements at June 30, 2018, consisted of the following: (000's)

Transfers from	Transfers to	Α	mount
General Fund	Debt Service Fund	\$	3,000
General Fund	Capital Projects Fund		7,786
Nonmajor Governmental Fund	General Fund		-
		\$	10,786

The District transferred \$3 million from the general fund to the debt service fund to cover general obligation debt. The District transferred \$7.786 million from the general fund to the capital projects fund to separately account for expenditures on a project basis. The District transferred \$28 from a nonmajor governmental fund to the general fund for reimbursement of expenditures previously accounted for in the general fund.

E. Long-Term Liabilities

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds, term bonds, and capital appreciation bonds (CAB) with various amounts of principal maturing each year. Bonded debt as of June 30, 2018 is as follows: (**000's**)

	Interest Rate Matu		Original	
Description	Payable	Date	Issue	Outstanding
Unlimited Tax School Building Bonds, Series 2005A QZAB	0.25%	11/15/21	\$ 8,00	0 \$ 8,000
Unlimited Tax Schoolhouse & Refunding Bonds, Series 2006	4.000-5.000%	02/15/30	127,33	5 19,050
Unlimited Tax Refunding Bonds, Series 2011	2.000-5.000%	02/15/20	9,89	0 3,670
Unlimited Tax Refunding Bonds, Series 2012	5.000%	02/15/24	41,16	60 41,160
Unlimited Tax Schoolhouse Bonds, Series 2013	2.000-5.000%	02/15/38	91,10	0 13,160
Unlimited Tax School Building Bonds, Series 2014A	1.500-5.000%	02/15/30	18,33	8,555
Variable Rate Unlimited Tax School Building Bonds, Series 2014B	Variable	02/15/35	30,60	0 30,600
Variable Rate Unlimited Tax School Building Bonds, Series 2014B	Variable	02/15/40	32,02	32,020
Unlimited Tax Refunding Bonds, Series 2014C	4.000-5.000%	02/15/30	71,46	5 71,465
Unlimited Tax Building & Refunding Bonds, Series 2015	2.000-5.000%	02/15/41	112,50	5 109,505
Unlimited Tax Refunding Bonds, Series 2016A	2.000-4.000%	02/15/30	29,00	0 27,600
Unlimited Tax Refunding Bonds, Series 2016B	5.00%	02/15/28	9,40	9,405
Unlimited Tax Refunding Bonds, Series 2017	3.000-5.000%	02/15/38	77,48	77,485
			\$ 658,29	<u>\$ 451,675</u>

Variable Rate Terms – The Series 2014B variable rate bonds will bear interest at the initial rate of 2% and 3% on the term bonds during the initial rate period. The interest payment dates during the initial rate period will be on February 15 and August 15. Upon the conversion date following the initial rate period, the bonds will bear interest at a term rate as determined by the remarking agent, which mode may thereafter be changed from time to time by the District, prior to conversion to a fixed rate. During each rate period after the initial rate period, the rate of interest on the bonds will be the rate that the remarketing agent determines, under prevailing market conditions on the date of such determination, would result in the market value of the bonds being 100% of the principal amount thereof; provided that at no time may the rate of the bonds exceed 8% per annum.

In August 2017, outstanding variable bonds totaling \$30,600,000 were remarketed to a term rate (1.18%) for a period of two years through August 14, 2019. Thereafter, the bonds will bear interest in a mode and at a rate determined by the remarketing agent (Hilltop Securities Inc.) and may change at the District's option from time to time to (a) a weekly or term rate of a different duration or (b) a flexible rate not to exceed the lesser of (i) 8% per annum, or (ii) the maximum net effective interest rate permitted under Chapter 1204, Texas Government Code, as amended. In addition, at the option of the District, the bonds bearing interest at a variable rate or flexible rate may be converted in whole or in part to a fixed rate to their maturity.

In December 2017, District issued \$77,485,000 in Unlimited Tax Refunding Bonds, Series 2017. Proceeds from the sale of the bonds were used to refund the following bonds:

Description	000's				
Unlimited Tax Schoolhouse Bonds, Series 2013	\$	70,420			
Unlimited Tax School Building Bonds, Series 2014A		7,770			
	\$	78,190			

The bonds were issued at a premium of \$13,151,703 and issuance costs of \$718,928. The bonds bear interest from 3% to 5% and are due in annual installments ranging from \$2,900,000 to \$6,785,000 through February 15, 2038. As a result of the refunding, the District reduced its total debt service requirements by \$6,146,734 and realized a present value savings of \$5,067,236.

The District entered into a loan agreement (LoanSTAR Revolving Loan Program) sponsored by the State Energy Conservation Office (SECO) totaling \$4.8 million to reduce consumption of electrical energy. The loan is payable in quarterly installments of principal and interest and bears interest at 3%. The balance outstanding at June 30, 2018 is \$2,127,354.

Long-term liability activity for the year ended June 30, 2018 was as follows: (000's)

Governmental Activities	eginning Balance	A	dditions	F	Reductions	_	Ending Balance		e within ne Year
General Obligation - 2004	\$ 7,430	\$	-	\$	(7,430)	\$	-	\$	-
General Obligation - 2005A (QZAB)	8,000		-		-		8,000		-
General Obligation - 2006	19,050		-		-		19,050		9,370
General Obligation - 2011	5,150		-		(1,480)		3,670		1,715
General Obligation - 2012	41,160		-		-		41,160		-
General Obligation - 2013	85,605		-		(72,445)		13,160		2,105
General Obligation - 2014A	17,325		-		(8,770)		8,555		1,045
General Obligation - 2014B	30,600		30,600		(30,600)		30,600		-
General Obligation - 2014B	32,020		-		-		32,020		-
General Obligation - 2014C	71,465		-		-		71,465		-
General Obligation - 2015	112,380		-		(2,875)		109,505		3,805
General Obligation - 2016A	29,000		-		(1,400)		27,600		-
General Obligation - 2016B	9,405		-		-		9,405		-
General Obligation - 2017	 -		77,485		-		77,485		-
Total Bonds Payable	468,590		108,085		(125,000)		451,675		18,040
Other Liabilities:									
Accrued Interest	7,483		280		(847)		6,916		6,916
Premium on Issuance of Bonds	44,844		13,152		(10,723)		47,273		-
SECO-LoanSTAR Revolving Loan	 2,735		-		(607)		2,128		626
Total Other Liabilities	 55,062		13,432		(12,177)		56,317	-	7,542
Total Long-term Liabilities	\$ 523,652	\$	121,517	\$	(137,177)	\$	507,992	\$	25,582

Long-term debt includes par bonds, capital appreciation (deep discount) serial bonds, contractual obligations and loans. The District has no local policies regarding debt limitation or debt margin, but must comply with State requirements. At June 30, 2018, the District had no outstanding capital appreciation bonds.

During each year while bonds are outstanding, the District is required to levy and collect sufficient ad valorem taxes to provide for the payment of general obligation bonds principal and interest through the debt service fund as the payments become due. Principal and interest expenditures for note and loan payables are accounted for in the general fund. Other long-term liabilities, such as net pension and net OPEB liabilities, are generally liquidated with resources from the general fund.

The 2005 QZAB requires annual payments (approximately \$400,000) to a sinking fund held at Wells Fargo Bank which will be used to pay the principal on the bonds when they mature in fiscal year 2022 (See Note II. A).

Fiscal Year Ending		General O	Obligation Notes and Loans			Notes and Loans		Total				
June 30,	Pr	incipal	Ir	nterest	Principal Interest		Principal		Interest			
2019	\$	18,040	\$	19,252	\$	626	\$	61	\$	18,666	\$	19,313
2020		18,940		18,669		645		42		19,585		18,711
2021		19,825		17,722		664		23		20,489		17,745
2022		28,765		16,742		193		4		28,958		16,746
2023		22,145		15,816		-		-		22,145		15,816
2024-2028		122,360		62,669		-		-		122,360		62,669
2029-2032		103,445		34,420		-		-		103,445		34,420
2034-2038		86,895		17,164		-		-		86,895		17,164
2039-2042		31,260		2,412		-		-		31,260		2,412
Total	\$	451,675	\$	204,866	\$	2,128	\$	130	\$	453,803	\$	204,996

Debt service requirements at June 30, 2018 were as follows: (000's)

F. Operating Leases

The District leases certain equipment and facilities under non-cancelable operating leases. Total rental expenditures for year ended June 30, 2018 were \$1.1 million and made from the general fund. Future minimum lease payments are as follows: (000's)

Fiscal Year Ending June 30,	Lease Payment		
2019	\$	715	
2020		715	
2021		715	
2022		179	
Total	\$	2,324	

G. Defeased Debt

The District has defeased certain general obligation and other bonds in prior years by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2018, bonds outstanding of \$78.2 million were considered defeased.

H. Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2018, the District does not anticipate any arbitrage liability.

III. Other Information

A. Risk Management

Property Casualty

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases property and casualty insurance to mitigate the financial burden associated with these risks. For the year ended June 30, 2018, physical damage to the District's schedule of insured assets is limited to \$250 million per occurrence for several covered perils, as expressed within the insurance policy terms and conditions. Coverage for "Wind" damage associated with "Named Storms" is limited \$30 million per occurrence. Flood insurance is subject to an annual aggregate limit depending upon FEMA Flood Zones. Policy deductibles range from \$5,000 to 3% of the Total Insured Values, depending on the peril or cause of loss. Settled claims have not exceed the policy limit in any of the past (3) three fiscal years.

Workers' Compensation, Auto, Liability and/or Property Programs

For the year ended June 30, 2018, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the District is responsible for a certain amount of claims liability as outlined in the District's Contribution and Coverage Summary document. After the District's deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2017, the Fund carried a discounted reserve of \$49 million for future development on reported claims and claims that have been incurred but not yet reported. For the year ended June 30, 2018, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The liability estimation, obtained from an actuarial report prepared by Turner Consulting, Inc., requires the estimate of loss development over an extended period of time. During this time numerous internal and external factors will affect the ultimate settlement value of claims. Due to the inherent uncertainty with regard to the impact of these factors, there can be no guarantee that actual losses will not vary, perhaps significantly, from the estimates.

The following is a summary of the changes in the balances of claims liabilities for workers' compensation for the years ended June 30, 2018 and 2017: (**000's**)

	2018			2017
Liability, beginning of period	\$	902	\$	960
Changes in the est. for current & prior period claims		238		473
Payments on claims		(438)		(531)
Liability, end of period	\$	702	\$	902

The District also participates in the Fund's Auto, Liability and Property programs. The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services or an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended June 30, 2018, the Fund anticipates that the District has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2017 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

B. Health Care

The District provides medical insurance coverage for its employees through the TRS-Active Care insurance provided by the TRS. This is a premium-based plan: payments are made on a monthly basis for all covered employees. The District contributes \$250 per month for each employee enrolled in the health insurance plan. Employees are able to choose from three types of coverage and are responsible for premiums in excess of the District subsidy, including dependent coverage.

C. Defined Other Post-Employment Benefit Plan (OPEB)

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost sharing defined benefit OPEB plan that has a special funding situation. TRS-Care is administered through a trust by the TRS Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <u>http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR</u>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Components of the net OPEB liability of the TRS-Care plan are as of August 31, 2017 are as follows:

Net OPEB Liability	000's					
Total OPEB Liability	\$	43,885,785				
Less: Plan Fiduciary Net Position		(399,536)				
Net OPEB Liability	\$	43,486,249				
Net Position as percentage of Total OPEB Liability		0.91%				

Benefits Provided. TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates Effective September 1, 2016 - December 31, 2017								
		G-Care 1 sic Plan	TRS-Care 2 Optional Plan		S-Care 3 onal Plan			
Retiree*	\$	-	\$ 70	\$	100			
Retireee and Spouse		20	175		255			
Retiree* and Children		41	132		182			
Retiree and Family		61	237		337			
Surviving Children only		28	62		82			

*or surviving spouse

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than .25% or not more than .75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor: (000's)

	Contribution Rates				
	2017		2018		
Active Employee	0.65%	(0.65%		
Non-Employer Contributing Entity (NECE) (State)	1.00%	1	1.25%		
Employers	0.55%	().75%		
Federal/private Funding remitted by Employers	1.00%	1.25%			
2018 Employer Contributions		\$	1,257		
2018 Member Contributions		\$	1,037		
2017 NECE On-Behalf Contributions		\$	1,447		

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$15.6 million in fiscal year 2017. House Bill 21 was passed in special session and provided a supplemental appropriation in the amount of \$212 million in fiscal year 2018. The District's proportionate share of the \$212 million received during the District's 2018 fiscal year is reported in the fund level financial statements as an on-behalf contribution as required by GASB 85 and GASB 24.

Actuarial Assumptions. The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation:

Valuation Date Rates of Mortaility Rates of Retirement Rates of Termination General Inflation Wage Inflation Expected P ayroll Growth

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
In fla tio n	2.50%
Discount Rate*	3.42%*
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses
	related to the delivery of health care
	benefits are included in the age-adjusted
	claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases **	3.50% to 9.50%**
Healthcare Trend Rates ***	4.50% to 12.00%***
	Normal Retirement: 70% participation
	prior to age 65 and 75%
Election Rates	participationafter age 65
Ad hoc Post-employment Benefit Changes	None

*Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt munipeal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017. **Includes Inflation at 2.50%

*** Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.

Other Information. There was a significant plan change adopted in fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will be offered and all retirees will be required to contribute monthly premiums for coverage. Assumption changes made for the August 31, 2017 valuation include a change to the assumption regarding the phase-out of the Medicare Part D subsidies and a change to the discount rate from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017.

Discount Rate. A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.42%) in measuring the Net OPEB Liability: (000's)

	1% Decrease				1% Increase			
	in	Discount	Discount Rate		Disc	ount Rate		
	Rate	e (2.42%)	(3.42%)		(4.42%)			
District's proportionate share of the net OPEB liability	\$	94,897	\$	80,404	\$	68,755		

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2018, the District reported a liability of \$80,404,052 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the

net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows: (000's)

District's proportionate share of the collective net OPEB liability	\$ 80,404
State's proportionate share that is associated with the District	 121,051
Total	\$ 201,455

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the District's proportion of the collective Net OPEB Liability was .1848953519% which was the same proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- Significant plan changes were adopted during fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
- The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
- The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

There were no changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period.

For the year ended June 30, 2018, the District recognized OPEB expenses of (\$40,506,734) and revenues (\$40,506,734) for support provided by the State. (See Note III. N.)

At June 30, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources: (000's)

	De	ferred	D	eferred
	Outf	lows of	In	flows of
	Resources		Re	esources
Differences Between Expected and Actual Economic Experience	\$	-	\$	1,678
Changes in Actuarial Assumptions		-		31,955
Net Difference Between Projected and Actual Investment Earnings		13		-
Changes in Proportion and Difference Between the Employer's				
Contributions and the Proportionate Share of Contributions		1		-
District Contributions Paid to TRS Subsequent to the Measurement Date		1,099		-
Total	\$	1,113	\$	33,633

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows: (000's)

	OPEB Expense	
Year Ended June 30:	Amount	
2019	\$	4,436
2020		4,436
2021		4,436
2022		4,436
2023		4,439
Thereafter		11,436
	\$	33,619

The State's on-behalf contribution is recorded as revenues and expenditures/expenses in the financial statements.

D. Medicare Part D – On-Behalf Payments

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2018, 2017, and 2016, the subsidy payments received by TRS-Care on-behalf of the District were \$483,307, \$704,671, and \$457,238, respectively. These payments are recorded as equal revenues and expenditures/expenses in the financial statements.

E. Defined Benefit Pension Plan

Plan Description. The District participates in the TRS, a cost-sharing multiple employer defined benefit pension plan that has a special funding situation. The pension plan is administered by TRS and operates in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension plan is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension plan's Board of Trustees does not have the authority to establish and amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the pension plan.

Pension Plan Fiduciary Net Position. Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <u>http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR</u>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701; or by calling (512) 542-6592.

Components of the net pension liability of the pension plan are as of August 31, 2017 are as follows:

000's
179,336,534
(147,361,922)
31,974,612

Net Position as percentage of Total Pension Liability 82.17%

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity. (Members who are grandfathered use the three highest annual salaries). The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals or exceeds 80 years. Early retirement is at age 55 with 5 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description above.

Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% of the aggregate annual compensation paid to members of the pension plan during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2017.

The 84th Texas Legislature, GAA established employer contribution rates for the 2017 and 2018 pension plan fiscal years (September to August) as follows: **(000's)**

	Contribution Rates		
	2017		2018
Member	7.7%		7.7%
Non-Employer Contributing Entity (NECE) (State) Employers	6.8% 6.8%		6.8% 6.8%
2018 Employer Contributions		\$	4,983
2018 Member Contributions		\$	12,288
2017 NECE On-Behalf Contributions		\$	7,598

Contributors to the pension plan include members, employers and the State of Texas as the only nonemployer contributing entity. The State contributes to the pension plan in accordance with state statutes and the General Appropriations Act (GAA). The State's on-behalf contribution is recorded as revenues and expenditures/expenses in the financial statements.

As the non-employer contributing entity for public education, the State of Texas contributes to the pension plan an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension plan during that fiscal year reduced by the amounts described below which are paid by the employers. Employers, including public schools, are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source, from noneducational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- When employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an
 employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions. The total pension plan liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Rate	8.00%
Municipal Bond Rate	N/A
Last year ending August 31 in 2017 to 2016 projection period (100 years)	2116
Inflation	2.50%
Salary Increases	3.5% to 9.5% including inflation
Ad hoc Post-employment Benefit Changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

Discount Rate. The discount rate used to measure the total pension plan liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension plan liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best

estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan target asset allocation as of August 31, 2017 are summarized below:

		Long-term Expected	Expected Contribution
		Geometric Real	to Long-term Portfolio
Asset Class	Target Allocation	Rate of Return	Returns*
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation-Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectations			2.2%
Alpha			1.0%
Total	100%		8.7%

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the Net Pension Liability: (000's)

and Geometric mean returns.

	1% Decrease in				1%]	Increase in
	Dis	count Rate	Disc	ount Rate	Disc	count Rate
	(7.0%)			(8.0%)	((9.0%)
District's proportionate share of the net pension liability	\$	78,197	\$	46,386	\$	19,897

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a net pension liability of \$46,385,532 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows: (000's)

District's proportionate share of the collective net pension liability	\$ 46,386
State's proportionate share that is associated with the District	 74,583
Total	\$ 120,969

The net pension liability was measured as of August 31, 2017 and the total pension plan liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the pension plan for the period September 1, 2016 through August 31, 2017.

At August 31, 2017, the District's proportion of the collective net pension liability was .1450698778%, which was a decrease of .0063635377% from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation. There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

There were no changes of benefit terms that affected measurement of the total pension plan liability during the measurement period.

For the year ended June 30, 2018, the District recognized pension expense of \$5,666,045 and revenue of \$5,666,045 for support provided by the State in the government-wide financial statements.

At June 30, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (000's)

	Deferred		D	eferred
	Out	tflows of	Int	flows of
	Resources		Re	sources
Differences Between Expected and Actual Economic Experience	\$	678	\$	2,501
Changes in Actuarial Assumptions		2,113		1,210
Difference Between Projected and Actual Investment Earnings		-		3,380
Changes in Proportion and Difference Between the Employer's				
Contributions and the Proportionate Share of Contributions		5,682		3,441
District Contributions Paid to TRS Subsequent to the Measurement Date		4,199		_
Total	\$	12,672	\$	10,532

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows: (000's)

	Pension Expense		
Year Ended June 30:		Amount	
2019	\$	(713)	
2020		2,248	
2021		(941)	
2022		(1,785)	
2023		(575)	
Thereafter		(293)	
	\$	(2,059)	

F. Money Purchase Pension Plan

The District also sponsors a defined contribution pension plan, the Goose Creek Consolidated Independent School District Money Purchase Pension Plan, (the "Pension Plan") for all full-time employees with eligibility attained immediately upon employment with the District. The Pension Plan is administered by the District's Chief Financial Officer and a seven member Administrative Committee. The Trustees for the Pension Plan are the same as the Administrative Committee. The Board of Trustees of the School District have the sole right to amend the Pension Plan.

Benefits provided are based solely on the amount contributed to a participant's account. Effective July 1, 2009, a participant is immediately 100% vested in his or her account on the date the participant becomes a member of the Pension Plan. In February 2013, the Board amended the Pension Plan freezing all District contributions effective July 1, 2013. The District has discontinued its contributions to the Pension Plan but has not expressed any intent to terminate the Pension Plan. In the event of the Pension Plan termination, the net assets of the Pension Plan would be distributed to participants and beneficiaries as prescribed by the Pension Plan document.

The Pension Plan issues separate financial statements from the District. This annual financial report and other required disclosure information can be requested in writing from the Goose Creek Consolidated Independent School District Business Office, P.O. Box 30, Baytown, Texas 77522.

G. Related Organizations

The Goose Creek CISD Education Foundation ("Foundation"), a non-profit entity which was organized in 2009 to provide funds for District teaching and education programs, is a "related organization" as defined by GASB Statement No. 61. The members of the Board of Directors of the Foundation serve without financial compensation. The operations of the Foundation are not financially significant to the overall operations of the District, and therefore are not reported in the District's financial statements.

H. Shared Service Arrangements

The District participates in the East Harris County Cooperative For Deaf Education Regional Day School Program for the Deaf, a Shared Service Arrangement (SSA), with 16 member Districts. The District is acting as the fiscal agent for the parties involved. This program is to provide a system of direct and supportive special education services to eligible hearing impaired students. Funding for this program is provided by the TEA and by the member districts at a per pupil cost of approximately \$15,130. In 2018, approximately 32% of the funding was from the state grant and 68% from the member districts. Revenues and expenditures the SSA are summarized below: (000's)

Revenues:	
5700 - Member districts	\$ 2,077
5800 - State program revenue from TEA	 985
	\$ 3,062
Expenditures:	
6100 - Payroll costs	\$ 2,374
6200 - Professional and contracted services	664
6300 - Supplies and materials	15
6400 - Other operating costs	 9
	\$ 3,062

As fiscal agent, the District is responsible for reporting all financial activities of the SSA. The District accounts for the activity in Special Revenue Fund #435. No fund balance accumulates in the SSA and there are no separately issued financial statements. The SSA is an annually renewable agreement.

I. Construction and Other Significant Commitments

At June 30, 2018, the District had commitments under construction contracts totaling approximately \$8.4 million.

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed (executory contracts), and are used to control expenditures for the year and to enhance cash management. A school district often issues purchase orders or signs contracts for the purchase of goods and services to be received in the future. At the time these commitments are made, which in its simplest form means that when a purchase order is prepared, the appropriate accounts are checked for available funds. If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes.

Prior to the end of the year, every effort should be made to liquidate outstanding encumbrances. When encumbrances are outstanding at year end, the school district likely will honor the open purchase orders or contracts that support the encumbrances. For reporting purposes, outstanding encumbrances are not considered expenditures for the fiscal year, only a commitment to expend resources. If the school district allows encumbrances to lapse, even though it plans to honor encumbrances, the appropriations authority

expires and the items represented by the encumbrances are usually re-appropriated in the following year's budget. Open encumbrances at fiscal year are included in restricted, committed, or assigned fund balance, as appropriate.

At June 30, 2018, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows: (000's)

Fund	Restricted		Committed		Assigned]	Гotal
General	\$	-	\$	-	\$	814	\$	814
Nonmajor Governmental Funds		30				-		30
Total	\$	30	\$	-	\$	814	\$	844

Encumbrances Included in the Following Fund Balance:

J. Litigation and Contingencies

The District is a party to various legal actions none of which the Administration, based on consultation with its legal counsel, believes will have a material effect on the financial condition of the District. Accordingly, no provisions for gains or losses have been recorded in the accompanying government-wide or fund financial statements for contingencies.

The District participates in numerous state and federal grant programs governed by various rules and regulations of the grantor agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. To the extent that the District has not complied with the rules and regulations governing the grants, if any, claims may be disallowed. Any disallowed claims, including amounts already collected, may constitute a liability of the District. In the opinion of the Administration, no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants exist; therefore, no provision has been recorded in the accompanying government-wide or fund financial statements.

K. Limited Assessed Value Agreements (Tax Abatements)

Tax Code Chapter 313 allows public school districts to offer businesses a 10-year limitation on property value for a portion of the property tax in exchange for investment and the creation of jobs meeting certain requirements. The District has entered into Limited Assessed Value Agreements (commonly referred to as "Chapter 313 Agreement") with ExxonMobil Corporation, Borusan Mannesmann Pipe US, Inc., Chevron Phillips Chemical Company, LP, JSW Steel (USA) Inc., AmeriPort Building 10, LLC and Covestro LLC as an incentive for the entity to add taxable property within the District and create manufacturing jobs. Under the provisions of Chapter 313, the District offers a minimum value limitation of \$30 million. When property is valued, the District forgoes collection of maintenance & operation tax revenue; however, limited tax revenue is offset by an increase in state funding through the FSP funding formula. In lieu of tax payment, the District has received approximately \$7.3 million from the entities during the current fiscal year. These payments are reported as local revenues in the fund financial statements.

L. Negative Operating Grants and Contributions - Statement of Activities

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

During the year under audit, the NECE expense was negative due to changes in benefits within the TRS-Care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in negative revenue for operating grants and contributions on the Statement of Activities. According to guidance provided directly from GASB, this is the correct reporting.

Following are the effects on the Statement of Activities as a result of the negative on-behalf accruals recorded: (000's)

					Operating
	G	Deprating rants and ntributions	Negative On-Behalf Accruals	(Grants and Contributions excluding on- ehalf accruals)
11-Instruction	\$	(10,413)	\$ (25,66	3) \$	15,250
12-Instructional resources and media services		(349)	(40	€)	60
13-Curriculum and instructional staff development		1,791	(27	1)	2,062
21-Instructional leadership		(555)	(89	5)	340
23-School leadership		(1,979)	(3,01))	1,031
31-Guidance, counseling and evaluation services		(144)	(1,41	5)	1,272
32-Social work services		(92)	(13	7)	45
33-Health services		137	(44))	586
34-Student (pupil) transportation		(1,333)	(1,64	2)	309
35-Food services		9,960	(98	4)	10,944
36-Extracurricular activities		(565)	(67	4)	109
41-General administration		(835)	(1,17))	344
51-Facilities maintenance and operations		(1,831)	(2,66	1)	830
52-Security and monitoring services		(399)	(46	1)	65
53-Data processing services		(249)	(62	1)	375
61-Community services		257	(2))	286
72-Debt service - interest on long term debt		282			282
	\$	(6,317)	\$ (40,50	<u>7)</u>	34,190

M. Prior Period Adjustment

In fiscal year 2018, the District implemented GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB). As such, a prior period adjustment was necessary to record the District's proportionate share of net OPEB liability and related deferred outflow of resources. Due to the implementation of GASB 75, beginning net position was adjusted as follows: (000's)

Beginning Net Position - As Originally Stated	\$ 131,571
Restatement due to :	
Net OPEB liability (measurement date as of August 31, 2016)	(141,949)
Deferred Outflows:	
District contributions made to TRS after August 31, 2016	 803
Beginning Net Position - As Restated	\$ (9,575)

N. Excess Expenditures over Appropriations

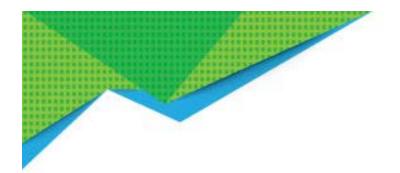
The TEA requires the budgets for the General, Child Nutrition Program, and Debt Service Funds to be filed with the TEA. The budget should not be exceeded in any functional category under TEA requirements. For the year ended June 30, 2018, expenditures exceeded appropriations in the following functional categories: (000's)

Fund	Function	Final	Budget	 Actual	1	Variance
General	61-Community Services	\$	162	\$ 208	\$	(46)
Child Nutrition	51-Facilities Maintenance and Operations		335	525		(190)

O. Subsequent Events

In August 2018, outstanding variable bonds totaling \$32,020,000 were remarketed to a term rate of 1.95% for a period of two years through August 13, 2020. Thereafter, the bonds will bear interest in a mode and at a rate determined by the remarketing agent and may change at the District's option from time to time to a flexible rate mode or variable rate mode. In no event will the interest rate borne by the bonds exceed the lessor of: (a) 8.00%, and (b) maximum net effective interest rate permitted under Chapter 1204, Texas Government Code, as amended. In addition, at the option of the District, the bonds bearing interest at a variable rate or flexible rate may be converted in whole or in part to a fixed rate to their maturity.

In preparing the financial statements, the District has evaluated subsequent events through November 2, 2018, the date the financials were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION



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GOOSE CREEK CONSOLIDA TED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2018

Data Contro							Actual Amounts (GAAP BASIS)		riance With inal Budget	
Codes	51		Budgeted A	Amo	ounts		× ,	Positive or		
Coues			Original		Final				(Negative)	
	REVENUES:									
5700	Total Local and Intermediate Sources	\$	133,126,715	\$	146,785,897	\$	148,042,753	\$	1,256,856	
5800	State Program Revenues		78,617,000		82,138,211		85,720,320		3,582,109	
5900	Federal Program Revenues		3,104,000		3,104,000		2,818,599		(285,401	
5020	Total Revenues		214,847,715		232,028,108		236,581,672		4,553,564	
	EXPENDITURES:									
	urrent:									
0011	Instruction		120,517,421		124,465,183		121,599,638		2,865,545	
0012	Instructional Resources and Media Services		2,172,526		2,227,289		2,091,780		135,509	
0013	Curriculum and Instructional Staff Development		2,611,137		2,405,697		2,166,506		239,191	
0021	Instructional Leadership		4,210,361		4,427,805		4,311,933		115,872	
0023	School Leadership		12,948,840		13,577,891		12,783,668		794,223	
0031	Guidance, Counseling and Evaluation Services		6,835,083		7,008,934		5,899,144		1,109,790	
0032	Social Work Services		985,221		1,019,743		875,956		143,787	
0033	Health Services		2,156,856		2,100,368		1,611,819		488,549	
0034	Student (Pupil) Transportation		9,268,549		8,913,496		8,664,108		249,388	
0035	Food Services		-		16,715		16,715		-	
)036	Extracurricular Activities		4,099,941		4,529,685		4,460,093		69,592	
0041	General Administration		7,121,077		7,782,214		7,215,205		567,009	
0051	Facilities Maintenance and Operations		27,527,884		28,609,783		27,021,673		1,588,110	
0052	Security and Monitoring Services		2,437,542		2,381,223		2,349,420		31,803	
0053	Data Processing Services		3,752,365		5,398,400		4,349,306		1,049,094	
0061	Community Services		161,310		162,177		207,912		(45,735	
	ebt Service:									
0071	Principal on Long Term Debt		607,326		607,326		607,325		1	
0072	Interest on Long Term Debt		79,663		79,663		79,663		-	
	apital Outlay:									
0081	Facilities Acquisition and Construction		476,659		912,460		448,708		463,752	
	tergovernmental:		24.000		24.000		10.000		1.000	
0095	Payments to Juvenile Justice Alternative Ed. Prg.		24,000		24,000		19,800		4,200	
0099	Other Intergovernmental Charges		1,103,954		1,303,955		1,284,934		19,021	
6030	Total Expenditures		209,097,715		217,954,007		208,065,306		9,888,701	
1100	Excess of Revenues Over Expenditures		5,750,000		14,074,101		28,516,366		14,442,265	
	OTHER FINANCING SOURCES (USES):						20		-	
7915	Transfers In		-		-		28		28	
8911	Transfers Out (Use)	_	(5,750,000)		(10,786,240)		(10,786,240)		-	
7080	Total Other Financing Sources (Uses)		(5,750,000)		(10,786,240)		(10,786,212)		28	
1200	Net Change in Fund Balances		-		3,287,861		17,730,154		14,442,293	
0100	Fund Balance - July 1 (Beginning)		73,232,514		73,232,514		73,232,514		-	
3000	Fund Balance - June 30 (Ending)	\$	73,232,514	¢	76,520,375	¢	90,962,668	\$	14,442,293	

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED JUNE 30, 2018

	FY 2018 Plan Year 2017]	FY 2017 Plan Year 2016	Р	FY 2016 Plan Year 2015	 FY 2015 Plan Year 2014
District's Proportion of the Net Pension Liability (Asset)	0.145069878%		0.1514334%		0.1628193%	0.1251806%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 46,385,532	\$	57,224,436	\$	57,554,455	\$ 33,437,470
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	74,283,436		93,397,291		88,737,898	72,161,422
Total	\$ 120,668,968	\$	150,621,727	\$	146,292,353	\$ 105,598,892
District's Covered Payroll	\$ 154,466,854	\$	157,691,029	\$	153,343,217	\$ 145,568,629
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	30.02%		36.30%		37.50%	22.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%		78.00%		78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2017 for year 2018, August 31, 2016 for Year 2017, August 31, 2015 for Year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only four years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS TEACHER RETIREMENT SYSTEM OF TEXAS FOR FISCAL YEAR 2018

	 2018	2017	2016	2015
Contractually Required Contribution	\$ 4,982,543 \$	4,787,636 \$	4,801,707 \$	4,585,032
Contribution in Relation to the Contractually Required Contribution	(4,982,543)	(4,787,636)	(4,801,707)	(4,585,032)
Contribution Deficiency (Excess)	\$ -0- \$	-0- \$	-0- \$	-0-
District's Covered Payroll	\$ 159,565,092 \$	155,227,934 \$	157,440,569 \$	152,683,020
Contributions as a Percentage of Covered Payroll	3.10%	3.08%	3.05%	3.00%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Note: In accordance with GASB 68, Paragraph 138, only four years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

GOOSE CREEK CONSOLIDA TED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED JUNE 30, 2018

	P	FY 2018 an Year 2017
District's Proportion of the Net Liability (Asset) for Other Post Employment Benefits		0.184895352%
District's Proportionate Share of Net Post Employment Benefit Liability (Asset)	\$	80,404,052
State's Proportionate Share of the Net Post Employment Benefit Liability (Asset) associated with the District		121,050,553
Total	\$	201,454,605
District's Covered Payroll	\$	154,466,854
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll		52.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the year for which this information is available. Additional information will be added until 10 years of data are available and reported.

GOOSE CREEK CONSOLIDA TED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OTHER POST EMPLOYMENT BENEFITS (OPEB) TEA CHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED JUNE 30, 2018

	 2018
Contractually Required Contribution	\$ 1,256,948
Contribution in Relation to the Contractually Required Contribution	(1,256,948)
Contribution Deficiency (Excess)	\$ -0-
District's Covered Payroll	\$ 159,565,092
Contributions as a Percentage of Covered Payroll	0.79%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budgetary Information

The District adopts an "appropriated budget" for the General Fund, the Debt Service Fund, and the Child Nutrition Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed length budgets and monitoring through submission of reimbursement reports.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available or estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the year ending June 30, 2018.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principals and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2017. The budget was adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods and purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are canceled or appropriately provided for in the subsequent year's budget.

Excess Expenditures over Appropriations

The TEA requires the budgets for the General, Child Nutrition Program, and Debt Service Funds to be filed with the TEA. The budget should not be exceeded in any functional category under TEA requirements. For the year ended June 30, 2018, expenditures exceeded appropriations in the following functional categories: (000's)

Fund	Function	Final	Budget	 Actual	,	Variance
General	61-Community Services	\$	162	\$ 208	\$	(46)
Child Nutrition	51-Facilities Maintenance and Operations		335	525		(190)

Notes to Schedule of the District's Proportionate Share of the Net Pension Liability

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of Assumptions

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

Notes to Schedule of the District's Proportionate Share of the Net OPEB Liability

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of Assumptions

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- Significant plan changes were adopted during fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
- The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
- The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

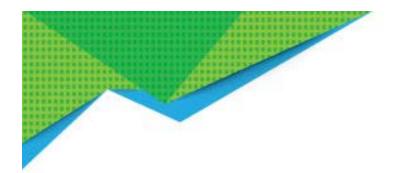
In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. Most, but not all, of these funds must be applied for through the Standard Application System (SAS).

- **211** <u>ESEA, I, A, Improving Basic Programs</u> Provide supplemental educational opportunities to help economically disadvantaged children master state academic standards.
- 212 <u>ESEA, Title I, Part C, Migrant</u>– Develop programs to meet the special educational needs of children of migratory agricultural workers.
- **224 IDEA, Part B, Formula** Provide instructional personnel, supplies, equipment and related services to students with disabilities.
- **225** <u>**IDEA, Part B, Preschool**</u> Provide instructional personnel, supplies, equipment and related services to preschool students with disabilities.
- **226** <u>**IDEA, Part B, Discretionary**</u> Provide resources to students with disabilities on a project basis.
- **240** <u>Child Nutrition Program</u> Support programs using federal reimbursement revenues from the United States Department of Agriculture (USDA).
- **244** <u>**Career and Technical Basic Grant**</u> Provide educational programs which allow students the opportunity to apply academic skills in a vocational setting.
- **255** <u>ESEA, II, A Training and Recruiting</u>– To increase student achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools.
- **263** <u>**Title III, A English Lang. Acquisition**</u> To improve the education of limited English proficient students.
- **289** <u>Other Federal Special Revenue Funds</u> (Summer LEP Program) Providing funding for summer program for students with limited English proficiency.
- **315** <u>SSA IDEA-Part B, Discretionary</u>– To supplement the level of state and local funds for students with disabilities. This program serves several member districts including Goose Creek CISD.
- **316** <u>SSA IDEA-Part B, Deaf</u> To provide an equitable education to all students with disabilities. This program serves several member districts including Goose Creek CISD.

Nonmajor Governmental Funds

Special Revenue Funds

- **340** <u>SSA IDEA C, Deaf Early Intervention</u> Provide funding for early intervention programs for infants and toddlers who are deaf.
- **397** <u>Advanced Placement Incentives</u> Reward campuses for performance on the Advanced Placement and International Baccalaureate Examinations.
- **410** <u>Instructional Materials Allotment</u> To account for funds awarded to school districts under the textbook allotment.
- **429** <u>**Other State Special Revenue Funds**</u> (Ready to Read License Plates) Funds provided by state through the sale of specialty license plates for public school libraries and to strengthen campus reading programs.
- **435** <u>SSA Regional Day School Deaf</u> Provide funding for staff and activities of the Regional Day School for the Deaf. This program serves several member districts including Goose Creek CISD.
- **461** <u>**Campus Activity Funds**</u> To account for transactions related to the principals' activity funds.
- **499** <u>Other Local Special Revenue Funds</u> Locally funded special revenue funds not specified above.

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GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

•	OO TLIG UNILA (
	JUNE 30, 2018

		,							
D.			211		212		224		225
Data		Η	ESEA I, A	ES	EA Title I	IDI	EA - Part B	IDE	EA - Part B
Contro		Ι	mproving		Part C		Formula	Р	reschool
Codes		Ba	Basic Program		Migrant				
	ASSETS								
1110	Cash and Cash Equivalents	\$	-	\$	-	\$	-	\$	-
1240	Receivables from Other Governments		1,884,442		63,612		537,079		12,863
1260	Due from Other Funds		-		-		-		-
1290	Other Receivables		-		-		-		-
1300	Inventories		-		-		-		-
1000	Total Assets	\$	1,884,442	\$	63,612	\$	537,079	\$	12,863
	LIABILITIES								
2110	Accounts Payable	\$	44,195	\$	185	\$	8,218	\$	-
2160	Accrued Wages Payable		492,769		6,030		368,226		3,057
2170	Due to Other Funds		1,347,478		57,397		160,635		9,806
2300	Unearned Revenues		-		-		-		-
2000	Total Liabilities	_	1,884,442		63,612		537,079		12,863
	FUND BALANCES								
	Nonspendable Fund Balance:								
3410	Inventories		-		-		-		-
	Restricted Fund Balance:								
3450	Federal or State Funds Grant Restriction		-		-		_		-
3490	Other Restricted Fund Balance		-		-		-		-
	Committed Fund Balance:								
3545	Other Committed Fund Balance		-		-		-		-
3000	Total Fund Balances	_	-		-		_		-
4000	Total Liabilities and Fund Balances	\$	1,884,442	\$	63,612	\$	537,079	\$	12,863

	226		240		244		255		263		289		315		316
IDE	A - Part B		National	Ca	reer and	ESEA II,A		Ti	tle III, A	Ot	her Federal		SSA	SSA	
Dise	cretionary	Br	eakfast and	Те	chnical -	Tra	aining and	Eng	lish Lang.		Special	ID	EA, Part B	IDEA	A, Part I
		Luı	nch Program	Bas	sic Grant	R	ecruiting	Ac	quisition	Rev	enue Funds	Dis	scretionary]	Deaf
\$	-	\$	3,899	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	505,512		213,312		70,467		178,652		122,260		2,293,624		417,648		-
	-		4,672,240		-		-		-		-		-		-
	-		1,318		-		-		-		-		-		-
	-		214,166		-		-		-		-		-		-
\$	505,512	\$	5,104,935	\$	70,467	\$	178,652	\$	122,260	\$	2,293,624	\$	417,648	\$	-
\$	-	\$	270,349	\$	-	\$	3,534	\$	698	\$	6,867	\$	3,977	\$	-
	-		666,618		26,749		41,828		55,075		7,025		13,441		-
	505,512		-		43,718		133,290		66,487		2,279,732		400,230		-
	-		13,022		-		-		-		-		-		-
	505,512	_	949,989		70,467		178,652	_	122,260	_	2,293,624	_	417,648		
	-		214,166		-		-		-		-		_		-
	_		3,940,780		_		_		-		_		-		
	-		-		-		-		-		-		-		
	-		-		-		-		-		-		-		-
			4,154,946		-						-				-
\$	505,512	\$	5,104,935	\$	70,467	\$	178,652	\$	122,260	\$	2,293,624	\$	417,648	\$	

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2018

D.			340		397		410		429
Data			- IDEA C	Α	dvanced	Ins	structional	Ot	her State
Contro Codes)]		f - Early		lacement		A aterials		Special
		Inte	rvention	In	centives	A	llotment	Revenue Fund	
	ASSETS								
1110	Cash and Cash Equivalents	\$	-	\$	-	\$	-	\$	-
1240	Receivables from Other Governments		1,459		-		-		-
1260	Due from Other Funds		-		38,557		256,407		7,107
1290	Other Receivables		-		-		-		-
1300	Inventories		-		-		-		-
1000	Total Assets	\$	1,459	\$	38,557	\$	256,407	\$	7,107
	LIABILITIES								
2110	Accounts Payable	\$	263	\$	-	\$	31,184	\$	-
2160	Accrued Wages Payable		-		-		-		-
2170	Due to Other Funds		1,196		-		-		-
2300	Unearned Revenues		-		38,557		225,223		1,235
2000	Total Liabilities		1,459		38,557	_	256,407		1,235
	FUND BALANCES								
	Nonspendable Fund Balance:								
3410	Inventories		-		-		-		-
	Restricted Fund Balance:								
3450	Federal or State Funds Grant Restriction		-		-		-		5,872
3490	Other Restricted Fund Balance		-		-		-		-
	Committed Fund Balance:								
3545	Other Committed Fund Balance		-		-		-		-
3000	Total Fund Balances		-		-		-		5,872
4000	Total Liabilities and Fund Balances	\$	1,459	\$	38,557	\$	256,407	\$	7,107

	435		461		499	Total				
	SSA		Campus		ther Local		Nonmajor			
-	jonal Day		Activity		Special	Governmental				
Sch	ool - Deaf		Funds	Rev	enue Funds		Funds			
\$	-	\$	-	\$	-	\$	3,899			
	974,548		-		-		7,275,478			
	-		1,162,906		449,671		6,586,888			
	-		1,474		152,090		154,882			
	-		-		-		214,166			
\$	974,548	\$	1,164,380	\$	601,761	\$	14,235,313			
\$	182	\$	47,793	\$	19,710	\$	437,155			
	363,229		-		48,005		2,092,052			
	522,313		-		78,257		5,606,05			
	88,824		-		31,928		398,789			
	974,548		47,793		177,900		8,534,04			
	-		-		-		214,160			
	-		-		-		3,946,652			
	-		-		423,861		423,86			
	-		1,116,587		-		1,116,58			
	-	_	1,116,587		423,861	_	5,701,26			
\$	974,548	\$	1,164,380	\$	601,761	\$	14,235,313			

GOOSE CREEK CONSOLIDA TED INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018

Data Control Codes		211 EA I, A proving c Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	
REVENUES: 5700 Total Local and Intermediate Sources	\$	_	\$ -	\$ -	\$ -	
5800 State Program Revenues	φ	-	• - -	ф - -	ф - -	
5900 Federal Program Revenues		5,288,289	216,193	2,933,617	39,707	
5020 Total Revenues		5,288,289	216,193		39,707	
EXPENDITURES:				-		
Current:						
0011 Instruction		3,788,710	42,311	2,723,415	39,707	
0012 Instructional Resources and Media Services		-	-	-	-	
0013 Curriculum and Instructional Staff Development		1,215,599	-	2,998	-	
0021 Instructional Leadership		5,763	173,868	34,598	-	
0023 School Leadership		-	-	-	-	
0031 Guidance, Counseling and Evaluation Services		-	-	172,606	-	
0032 Social Work Services		-	-	-	-	
0033 Health Services		-	-	-	-	
0034 Student (Pupil) Transportation		-	-	-	-	
0035 Food Services		-	-	-	-	
0036 Extracurricular Activities		-	-	-	-	
0051 Facilities Maintenance and Operations		-	-	-	-	
0053 Data Processing Services		-	-	-	-	
0061 Community Services		278,217	14	-	-	
6030 Total Expenditures		5,288,289	216,193	2,933,617	39,707	
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures		-	-	-	-	
OTHER FINANCING SOURCES (USES):						
8911 Transfers Out (Use)		-	-		-	
1200 Net Change in Fund Balance		-	-	-	-	
0100 Fund Balance - July 1 (Beginning)		-		-		
3000 Fund Balance - June 30 (Ending)	\$	-	\$	\$	\$	

226 IDEA - Part B Discretionary		240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf
\$	- 3	\$ 2,515,598 \$ 297,258	- \$	S	\$ - -	\$ - -	\$ - -	\$ - -
50	05,512	11,187,231	232,330	652,648	356,641	2,322,580	522,702	-
50	05,512	14,000,087	232,330	652,648	356,641	2,322,580	522,702	-
5()5,512	_	127,688	-	333,323	109,773	517,711	-
	-	-	-	-	-	-	-	-
	-	-	97,842	652,648	19,244	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	608,201	-	-
	-	-	-	-	-	821,967	4,991	-
	-	-	-	-	-	26,087	-	-
	-	-	-	-	-	390,062	-	-
	-	-	-	-	-	78,405	-	-
	-	12,615,595	-	-	-	-	-	-
	-	- 524,788	6,800	-	-	-	-	-
	-	524,788	-	-	-	288,085	-	-
	-	-	-	-	- 4,074		-	-
50	05,512	13,140,383	232,330	652,648	356,641	2,322,580	522,702	-
	-	859,704	-	-	-	-	-	-
	-		-	-	-			
	-	859,704	-	-	-	-	-	-
	-	3,295,242	-		-			
\$	- 3	\$ 4,154,946 \$	- 9	S - 1	\$-	\$-	\$ -	\$-

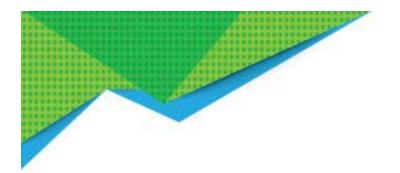
GOOSE CREEK CONSOLIDA TED INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018

Data Control Codes	Dea	340 - IDEA C f - Early rvention	397 Advanced Placement Incentives	410 Instructional Materials Allotment	429 Other State Special Revenue Funds	
REVENUES: 5700 Total Local and Intermediate Sources 5800 State Program Revenues 5900 Federal Program Revenues 5020 Total Revenues EXPENDITURES:	\$	- \$ 3,113 3,113	- 9 1,034 - 1,034	5 - 1,280,336 - 1,280,336	\$ - 309,103 - 309,103	
EXPENDITORES.Current:00110012Instructional Resources and Media Services0013Curriculum and Instructional Staff Development0021Instructional Leadership0023School Leadership0031Guidance, Counseling and Evaluation Services0032Social Work Services0033Health Services0034Student (Pupil) Transportation0035Food Services0036Extracurricular Activities0051Facilities Maintenance and Operations0053Data Processing Services0061Community Services		3,113		1,280,336 - - - - - - - - - - - - - - - - - -	309,103 - - - - - - - - - - - - - - - - - - -	
6030 Total Expenditures 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures OTHER FINANCING SOURCES (USES): 8911 Transfers Out (Use)		3,113	1,034	1,280,336	309,103	
1200 Net Change in Fund Balance0100 Fund Balance - July 1 (Beginning)		-	-	-	- 5,872	
3000 Fund Balance - June 30 (Ending)	\$	- \$	- \$	6 -	\$ 5,872	

	435	461	499	Total
	SSA	Campus	Other Local	Nonmajor
Re	gional Day	Activity	Special	Governmental
Sc	hool - Deaf	Funds	Revenue Funds	Funds
\$	2,076,835 \$	5 1,041,494	\$ 682,631	
	984,602	-	-	2,872,333
	-	-		24,260,563
	3,061,437	1,041,494	682,631	33,449,454
	2,831,608	-	167,439	12,779,749
	-	-	868	868
	-	-	24,925	2,014,290
	-	-	-	214,229
	-	-	-	608,201
	229,829	-	-	1,229,393
	-	-	-	26,087
	-	-	169,233	559,295
	-	-	-	78,405
	-	-	-	12,615,595
	-	1,160,217	1,500	1,168,517 524,788
	-	-	-	288,085
	_	-	201,776	484,081
	3,061,437	1,160,217	565,741	32,591,583
	-	(118,723)	116,890	857,871
	-	-	(28)	(28)
	_	(118,723)	116,862	857,843
	-	1,235,310	306,999	4,843,423
\$	- \$	6 1,116,587	\$ 423,861	\$ 5,701,266

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND FOR THE YEAR ENDED JUNE 30, 2018

	В	ALANCE					B	ALANCE
		JULY 1					J	UNE 30
	2017		A	DDITIONS	DF	EDUCTIONS		2018
STUDENT ACTIVITY ACCOUNT								
Assets:								
Cash and Temporary Investments	\$	670,872	\$	1,369,470	\$	1,373,913	\$	666,429
Liabilities:								
Accounts Payable	\$	79,645	\$	1,363,293	\$	1,408,080	\$	34,858
Due to Other Governments		3,409		-		3,409		-
Due to Student Groups		587,818		1,378,229		1,334,476		631,571
Total Liabilities	\$	670,872	\$	2,741,522	\$	2,745,965	\$	666,429
FOTAL AGENCY FUNDS								
Assets:								
Cash and Temporary Investments	\$	670,872	\$	1,369,470	\$	1,373,913	\$	666,429
Liabilities:								
Accounts Payable	\$	79,645	\$	1,363,293	\$	1,408,080	\$	34,858
Due to Other Governments		3,409		-		3,409		-
Due to Student Groups		587,818		1,378,229		1,334,476		631,571
Total Liabilities	\$	670,872	\$	2,741,522	\$	2,745,965	\$	666,429



COMPLIANCE SCHEDULES



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DELINQUENT TAXES RECEIVABLE FISCAL YEAR ENDED JUNE 30, 2018

	(1)	(2)	(3) Assessed/Appraised		
ast 10 Years	Tax F	Value for School			
	Maintenance	Debt Service	Tax Purposes		
009 and prior years	Various	Various	Various		
010	1.040000	0.242100	8,363,261,562		
011	1.040000	0.262100	7,379,255,424		
012	1.040000	0.292100	7,754,582,202		
013	1.040000	0.292100	8,323,350,976		
014	1.040000	0.346800	8,369,102,532		
015	1.040000	0.391900	8,993,777,455		
016	1.040000	0.391900	9,739,822,333		
017	1.170000	0.261900	10,402,373,251		
018 (School year under audit)	1.170000	0.261890	11,245,800,794		

1000 TOTALS

(10) Beginning Balance 7/1/2017	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections		(40) Entire Year's Adjustments		(50) Ending Balance 6/30/2018
\$ 2,553,850 \$	-	\$ 177,751	\$	28,736	\$	(261,106)	\$ 2,086,257
384,807	-	22,129		5,152		(8,835)	348,691
368,159	-	23,006		5,798		(9,137)	330,218
427,296	-	36,812		10,340		(3,091)	377,053
429,243	-	66,253		18,610		20,260	364,640
505,287	-	90,688		30,240		40,224	424,583
765,766	-	166,653		62,798		51,632	587,947
1,156,529	-	219,613		82,754		(60,547)	793,615
3,422,856	-	1,505,668		337,025		(448,020)	1,132,143
-	161,027,497	126,998,598		30,380,055		-	3,648,844
\$ 10,013,793 \$	161,027,497	\$ 129,307,171	\$	30,961,508	\$	(678,620)	\$ 10,093,991

See Note 11.C on page 57 for reconciliation to Exhibit C.

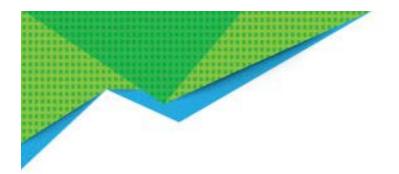
GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM FOR THE YEAR ENDED JUNE 30, 2018

Data Control		Budgeted	Amo	unts	Actual Amounts (GAAP BASIS)		Variance With Final Budget Positive or		
Codes	Original Final			Negative)					
REVENUES: 5700 Total Local and Intermediate Sources 5800 State Program Revenues 5900 Federal Program Revenues		3,334,110 348,174 10,736,334		3,391,010 348,174 10,736,334	\$	2,515,598 297,258 11,187,231	\$	(875,412) (50,916) 450,897	
5020 Total Revenues EXPENDITURES:		14,418,618		14,475,518	·	14,000,087		(475,431)	
0035 Food Services 0051 Facilities Maintenance and Operations		14,130,689 287,929		14,226,254 334,929		12,615,595 524,788		1,610,659 (189,859)	
5030 Total Expenditures		14,418,618		14,561,183		13,140,383		1,420,800	
200 Net Change in Fund Balances		-		(85,665)		859,704		945,369	
Fund Balance - July 1 (Beginning)		3,295,242		3,295,242	·	3,295,242		-	
Fund Balance - June 30 (Ending)	\$	3,295,242	\$	3,209,577	\$	4,154,946	\$	945,369	

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - DEBT SERVICE FUND FOR THE YEAR ENDED JUNE 30, 2018

Data Control		Budgeted	Am	ounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or	
Codes	Original			Final				(Negative)
REVENUES:								
5700 Total Local and Intermediate Sources 5800 State Program Revenues	\$	30,314,452 515,941	\$	31,300,000 282,433	\$	31,769,718 282,433	\$	469,718 -
5020 Total Revenues		30,830,393		31,582,433		32,052,151		469,718
EXPENDITURES:					_			
Debt Service:								
0071 Principal on Long Term Debt		16,210,000		16,210,000		16,210,000		-
0072 Interest on Long Term Debt		19,944,745		18,607,777		18,488,390		119,387
Bond Issuance Cost and Fees		50,000		760,294		879,682		(119,388)
Total Expenditures		36,204,745		35,578,071		35,578,072		(1)
100 Excess (Deficiency) of Revenues Over (Under) Expenditures		(5,374,352)		(3,995,638)		(3,525,921)	_	469,717
OTHER FINANCING SOURCES (USES):								
901 Refunding Bonds Issued		-		108,085,000		108,085,000		-
915 Transfers In		5,750,000		3,000,000		3,000,000		-
916 Premium or Discount on Issuance of Bonds		-		13,151,703		13,151,703		-
917 Prepaid Interest 949 Other Resources		-		279,759		279,759 320,200		- 320,200
949 Payment to Bond Refunding Escrow Agent (Use)		-		(120,516,942)		(120,516,942)		- 320,200
Total Other Financing Sources (Uses)		5,750,000		3,999,520		4,319,720	_	320,200
200 Net Change in Fund Balances		375,648		3,882		793,799		789,917
100 Fund Balance - July 1 (Beginning)		28,026,735		28,026,735		28,026,735		-
000 Fund Balance - June 30 (Ending)	\$	28,402,383	\$	28,030,617	\$	28,820,534	\$	789,917

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Statistical Section

Goose Creek Consolidated Independent School District Baytown, Texas

For the Fiscal Year Ended June 30, 2018



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Statistical Section (Unaudited)

This section of the Goose Creek Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information represents about the District's overall financial health.

Page

ancial Trends

These schedules include trend information to assist the reader in following the District's financial performance and condition over a period of time.

Revenue Capacity......116

These schedules contain information to help evaluate the District's most significant local revenue source, the property tax.

These schedules present information to assess the District's current outstanding debt level. This information may also be useful in measuring the District's ability to issue additional debt.

Demographic and Economic Information126

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

These schedules contain service and infrastructure data to aid in evaluating how the information in the District's comprehensive annual financial report relates to the services the District provides and the activities it performs.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT NET POSITION BY COMPONENT LAST TEN YEARS (accrual basis of accounting)

(Unaudited)

	 8/31/2009	8/31/2010	8/31/2011	8/31/2012
Governmental Activities:				
Net Investment in Captial Assets	\$ 79,955,505	\$ 74,454,021	\$ 68,207,444	\$ 54,765,228
Restricted for Federal and State Programs	2,287,044	1,656,564	1,444,526	992,903
Restricted for Debt Service	12,061,453	11,376,054	13,144,470	27,097,448
Restricted for Capital Projects	-	-	-	-
Restricted for Campus Activities	979,820	1,084,451	1,146,958	1,108,169
Restricted for Other Purposes	-	3,143,215	501,859	281,288
Unrestricted	63,298,628	63,357,137	83,004,421	103,527,996
Total Net Position	\$ 158,582,450	\$ 155,071,442	\$ 167,449,678	\$ 187,773,032

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

Due to the fiscal year change from August 31 to June 30 in 2013, balances for 2013 and future years will be reflected as June 30. Net asset components for fiscal years prior to 2013 have ben renamed to reflect GASB Statement No. 63 requirements for comparative purposes. In 2013, the District implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities." The prior years were not restated. In 2015, the District implemented GASB Statement No. 68 "Accounting & Financial Reporting for Pensions." The prior years were not restated. In 2018, the District implemented GASB Statement No. 75 "Accounting & Financial Reporting for Pensions." The prior years were not restated.

(Unaudited)											
 6/30/2013		6/30/2014		6/30/2015		6/30/2016		6/30/2017		6/30/2018	
\$ 57,426,229 2,109,291 30,150,299	\$	54,510,728 2,529,688 32,368,394	\$	70,555,510 2,162,573 18,333,121	\$	64,425,981 2,413,543 22,484,262	\$	66,756,227 3,295,242 22,484,262	\$	67,486,822 4,154,946 23,614,667	
1,107,233 398,194 113,537,142		- 1,150,186 357,182 97,572,434		- 407,300 43,125,756		- 294,745 37,983,658		312,871 38,722,690		423,861 (50,612,051)	
\$ 204,728,388	\$	188,488,612	\$	134,584,260	\$	127,602,189	\$	131,571,292	\$	45,068,245	

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT NET POSITION BY COMPONENT LAST TEN YEARS (accrual basis of accounting)

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT CHANGES IN NET POSITION LAST TEN YEARS (accrual basis of accounting) (Unaudited)

Governmental Activities Expenses: \$ 113,590,565 \$ 120,182,389 \$ 119,150,241 \$ 113,969,67 Facilities Acquisition and Construction 729,185 -
Instruction \$ 113,590,565 \$ 120,182,389 \$ 119,150,241 \$ 113,969,67 Facilities Acquisition and Construction 729,185 Instructional Resources and Media Services 2,548,650 2,803,948 2,330,545 2,813,4 Curriculum and Staff Development 2,558,346 2,863,752 2,441,088 2,611,4 Instructional Leadership 4,858,913 3,473,690 3,380,904 3,453,2 School Leadership 11,221,000 11,809,372 11,366,458 11,069,5 Guidance, Counseling and Evaluation Services 6,694,847 7,066,868 6,882,313 6,772,6 Social Work Services 1,294,189 1,237,309 1,083,403 1,085,5 Health Services 1,618,504 1,734,571 1,708,388 1,689,5 Student (Pupil) Transportation 5,774,167 6,773,261 6,785,717 7,007,4 Food Services 10,828,376 11,419,538 12,868,101 12,805,7
Instructional Resources and Media Services2,548,6502,803,9482,330,5452,813,4Curriculum and Staff Development2,558,3462,863,7522,441,0882,611,4Instructional Leadership4,858,9133,473,6903,380,9043,453,2School Leadership11,221,00011,809,37211,366,45811,069,5Guidance, Counseling and Evaluation Services6,694,8477,066,8686,882,3136,772,6Social Work Services1,294,1891,237,3091,083,4031,085,5Health Services1,618,5041,734,5711,708,3881,689,5Student (Pupil) Transportation5,774,1676,773,2616,785,7177,007,4Food Services10,828,37611,419,53812,868,10112,805,7
Curriculum and Staff Development2,558,3462,863,7522,441,0882,611,4Instructional Leadership4,858,9133,473,6903,380,9043,453,2School Leadership11,221,00011,809,37211,366,45811,069,5Guidance, Counseling and Evaluation Services6,694,8477,066,8686,882,3136,772,6Social Work Services1,294,1891,237,3091,083,4031,085,5Health Services1,618,5041,734,5711,708,3881,689,5Student (Pupil) Transportation5,774,1676,773,2616,785,7177,007,4Food Services10,828,37611,419,53812,868,10112,805,7
Instructional Leadership4,858,9133,473,6903,380,9043,453,2School Leadership11,221,00011,809,37211,366,45811,069,5Guidance, Counseling and Evaluation Services6,694,8477,066,8686,882,3136,772,6Social Work Services1,294,1891,237,3091,083,4031,085,6Health Services1,618,5041,734,5711,708,3881,689,9Student (Pupil) Transportation5,774,1676,773,2616,785,7177,007,4Food Services10,828,37611,419,53812,868,10112,805,7
School Leadership11,221,00011,809,37211,366,45811,069,372Guidance, Counseling and Evaluation Services6,694,8477,066,8686,882,3136,772,6Social Work Services1,294,1891,237,3091,083,4031,085,6Health Services1,618,5041,734,5711,708,3881,689,9Student (Pupil) Transportation5,774,1676,773,2616,785,7177,007,4Food Services10,828,37611,419,53812,868,10112,805,7
Guidance, Counseling and Evaluation Services6,694,8477,066,8686,882,3136,772,6Social Work Services1,294,1891,237,3091,083,4031,085,6Health Services1,618,5041,734,5711,708,3881,689,9Student (Pupil) Transportation5,774,1676,773,2616,785,7177,007,4Food Services10,828,37611,419,53812,868,10112,805,7
Social Work Services 1,294,189 1,237,309 1,083,403 1,085,6 Health Services 1,618,504 1,734,571 1,708,388 1,689,9 Student (Pupil) Transportation 5,774,167 6,773,261 6,785,717 7,007,4 Food Services 10,828,376 11,419,538 12,868,101 12,805,7
Health Services1,618,5041,734,5711,708,3881,689,5Student (Pupil) Transportation5,774,1676,773,2616,785,7177,007,2Food Services10,828,37611,419,53812,868,10112,805,7
Student (Pupil) Transportation5,774,1676,773,2616,785,7177,007,4Food Services10,828,37611,419,53812,868,10112,805,7
Food Services 10,828,376 11,419,538 12,868,101 12,805,7
O
Cocurricular/Extracurricular Activities 4,714,827 5,272,188 4,940,612 4,841,5
General Administration 5,887,902 6,312,786 6,970,645 6,841,
Facilities Maintenance and Operations 27,100,297 28,022,912 23,814,240 25,260,3
Security and Monitoring Services 1,358,817 1,548,343 1,543,394 1,571,
Data Processing Services 2,114,207 2,212,660 2,115,301 2,032,30
Community Services 1,402,576 1,513,932 1,740,979 1,630,0
Debt Service 14,596,632 15,234,934 15,078,247 13,821,3
Intergovernmental - Shared Service Arrangements 324,004 317,955 166,708 375,
Intergovernmental - Juvenile Justice Alt Ed Prg 8,779 4,506 13,355 9
Intergovernmental - County Appraisal Districts 1,037,957 1,006,628 -
Total Governmental Activities Expenses \$ 220,262,740 \$ 230,811,542 \$ 224,380,639 \$ 219,655,32
Correspondent Activities Drogram Devenues
Governmental Activities Program Revenues: Charges for Services:
Instruction \$ 1,390,298 \$ 1,475,167 \$ 1,566,228 \$ 1,261,5
Instructional Leadership 88,132 45,105 -
School Leadership
Guidance, Counseling and Evaluation Services 44,066 90,209 -
Student (Pupil) Transportation 63,177 152,160 120,707
Food Services 3,302,714 3,432,050 3,094,851 3,129,4
Extracurricular Activities 226,140 250,113 1,515,241 1,219,5
Extractificular Activities 220,140 250,115 1,515,241 1,219,0 General Administration 211,979 211,042 - 269,6
Facilities Maintenance & Operations428,278547,14252,80159,5Data Processing Services
Operating Grants and Contributions 31,496,481 38,527,389 39,740,211 33,772,0
Total Governmental Activities Program Revenues 37,436,388 44,930,247 46,090,039 39,870,72
Total Governmental Activities Net Expenses $$ (182,826,352)$ $$ (185,881,295)$ $$ (178,290,600)$ $$ (179,784,600)$
Governmental Activities General Revenues and Other
Changes in Net Position:
Property Taxes - General 97,749,888 90,820,085 80,662,393 89,812,7
Property Taxes - Debt Service 22,706,494 21,111,355 20,365,552 24,873,5
State Aid - Formula Grants 51,200,913 62,822,847 82,076,154 74,130,5
Grants and Contributions not Restricted 1,542,580 1,530,490 2,365,003 3,566,2
Investment Earnings 3,642,065 1,124,782 815,806 918,4
Miscellaneous 5,951,310 4,960,728 4,383,928 6,805,7
Special Item:
Gain (loss) on Disposition of Capital Assets 37,623
Total Governmental Activities General Revenues and
Other Changes in Net Position \$ 182,830,873 \$ 182,370,287 \$ 190,668,836 \$ 200,107,55
Changes in Net Position \$ 4,521 \$ (3,511,008) \$ 12,378,236 \$ 20,323,35

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

Due to the fiscal year change there are ten months for the 2013 fiscal period.

In 2013, the District implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities." The prior years were not restated. In 2015, the District implemented GASB Statement No. 68 "Accounting & Financial Reporting for Pensions." The prior years were not restated. In 2018, the District implemented GASB Statement No. 75 "Accounting & Financial Reporting for Postemployemnt Benefits Other Than Pensions." The prior years were not restated.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT CHANGES IN NET POSITION LAST TEN YEARS (accrual basis of accounting) (Unaudited)

	6/30/2013		6/30/2014		6/30/2015		6/30/2016		6/30/2017		6/30/2018
\$	108,830,667	\$	137,194,199	\$	146,482,874	\$	153,640,513	\$	143,822,738	\$	98,645,173
	2,077,529		2,594,886		4,305,920		2,711,103		3,758,406		2,025,518
	2,948,114		4,296,540		4,040,100		4,249,755		4,946,564		3,511,469
	2,970,345		4,232,550		4,508,429		4,779,241		4,525,208		3,426,218
	9,638,123		11,792,544		12,972,451		13,650,137		13,605,663		9,629,379
	6,168,985		7,413,935		7,736,919		7,974,714		7,665,074		5,279,058
	1,018,330		1,152,551		1,214,386		1,102,776		982,062		988,129
	1,622,268		1,789,031		2,004,534		2,248,895		2,126,840		1,609,137
	6,798,741		8,308,026		8,664,920		9,520,883		9,668,176		7,168,691
	12,376,722		13,932,718		14,715,361		15,096,755		14,166,569		11,896,570
	4,609,787		5,402,249		5,794,149		5,783,256		5,859,155		4,594,326
	6,296,471		7,836,681		7,415,202		7,308,580		7,012,892		5,599,771
	21,265,038		27,644,908		27,131,409		30,921,425		29,167,633		26,529,377
	1,559,954		1,867,076		2,348,123		2,668,878		2,906,992		1,857,073
	2,391,926		2,891,222		3,602,750		3,747,837		3,699,319		3,421,573
	1,424,758		1,728,511		1,662,075		2,007,581		1,955,960		548,876
	11,225,510		17,628,569		19,978,227		18,384,347		18,693,034		16,404,076
	6,100		20,971		7,528		6,600		19,800		19,800
					1,091,967		1,120,967		1,177,179		1,284,934
\$	203,229,368	\$	257,727,167	\$	275,677,324	\$	286,924,243	\$	275,759,264	\$	204,439,148
\$	1,262,537	\$	1,808,958	\$	2,058,574	\$	1,965,567	\$	1,882,396	\$	3,010,458
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		166,147
	113,601		147,520		47,186		47,626		60,515		37,212
	3,299,688		3,741,231		3,403,503		3,335,508		3,302,201		2,515,103
	1,141,668		1,165,856		1,410,947		1,390,419		1,365,425		256,273
	-		-		-		275,776		537,021		530,260
	81,953		67,438		94,523		124,902		146,938		195,916
	-		-		-		-		-		-
	140,539		139,860		166,856		182,582		199,667		198,923
	27,454,602		32,638,215		31,230,262		40,401,604		35,602,736		(6,317,234)
\$	33,494,588 (169,734,780)	\$	39,709,078 (218,018,089)	\$	38,411,851 (237,265,473)	\$	47,723,984 (239,200,259)	\$	43,096,899	\$	593,058 (203,846,090)
<u>\$</u>	(109,734,780)	<u>\$</u>	(218,018,089)	<u>\$</u>	(237,203,473)	¢	(239,200,239)	¢	(232,662,365)	ф Ф	(205,840,090)
	92,571,600		93,949,545		100,441,834		106,173,143		123,672,183		130,977,305
	25,705,442		31,287,719		37,621,770		40,252,582		28,665,996		31,315,039
	59,089,766		64,305,653		69,113,395		76,258,708		73,780,875		76,651,533
	3,677,262		3,555,919		4,292,813		3,415,760		3,262,718		2,460,804
	938,809		1,301,363		1,038,267		1,267,399		1,758,062		2,718,134
	6,853,634		7,378,114		9,309,412		4,850,596		5,491,634		14,365,990
\$	188,836,513	<u>\$</u>	201,778,313	<u>\$</u>	221,817,491	<u>\$</u>	232,218,188	<u>\$</u>	236,631,468	<u>\$</u>	258,488,805
\$	19,101,733	\$	(16,239,776)	\$	(15,447,982)	\$	(6,982,071)	\$	3,969,103	\$	54,642,715

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN YEARS

(modified accrual basis of accounting) (Unaudited)

	 8/31/2009	8/31/2010	8/31/2011	8/31/2012
General Fund:				
Nonspendable	\$ 432,498	\$ 458,669	\$ 391,744	\$ 1,392,732
Restricted	-	-	-	-
Committed	11,500,000	5,500,000	10,500,000	18,500,000
Assigned	8,932,480	21,511,356	543,799	2,901,274
Unassigned	 43,742,066	 33,075,340	 65,990,802	 69,703,521
Total General Fund	\$ 64,607,044	\$ 60,545,365	\$ 77,426,345	\$ 92,497,527
All Other Governmental Funds:				
Debt Service Fund:				
Restricted	\$ 12,061,453	\$ 11,416,815	\$ 13,209,898	\$ 26,142,292
Total Debt Service Fund	\$ 12,061,453	\$ 11,416,815	\$ 13,209,898	\$ 26,142,292
Capital Projects Funds				
Nonspendable	\$ 154,534	\$ -	\$ -	\$ -
Assigned	10,012,500	-	-	-
Restricted	23,131,293	22,051,196	14,741,785	1,329,057
Commited	 -	 -	 -	 -
Total Capital Projects Funds	\$ 33,298,327	\$ 22,051,196	\$ 14,741,785	\$ 1,329,057
Special Revenue Funds				
Nonspendable	\$ -	\$ 277,123	\$ 217,458	\$ 157,811
Restricted	5,287,044	4,522,656	1,728,927	1,116,380
Committed	 979,820	 1,084,451	 1,146,958	 1,108,169
Total Special Revenue Funds	\$ 6,266,864	\$ 5,884,230	\$ 3,093,343	\$ 2,382,360
Total All Other Governmental Funds	\$ 51,626,644	\$ 39,352,241	\$ 31,045,026	\$ 29,853,709

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

Changes in Fund Balances are explained in Management Discussion and Analyis section of this CAFR.

This statement was updated August 31, 2011 in accordance with Fund Balance classifications per GASB 54, accordingly, fiscal years 2002-2010 were restated. Due to the fiscal year change from August 31 to June 30 in 2013, balances for 2013 and future years will be reflected as June 30.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN YEARS (modified accrual basis of accounting)

(Unaudited)

6/30/2013		6/30/2014	6/30/2015		6/30/2016		6/30/2017		6/30/2018
\$ 2,061,963 25,046,886	\$	587,024 3,502,210	\$ 698,063	\$	745,634	\$	759,715	\$	796,003
17,500,000 1,734,203 54,547,312		10,000,000 1,994,788 73,145,012	- 591,981 68,243,589		- 1,097,833 66,235,326		- 1,253,511 71,219,288		1,472,193 88,694,472
\$ 100,890,364	\$	89,229,034	\$ 69,533,633	\$	68,078,793	\$	73,232,514	\$	90,962,668
\$ 33,552,203	\$	36,676,310	\$ 25,042,613	\$	28,402,648	\$	28,026,735	\$	28,820,534
\$ 33,552,203	\$	36,676,310	\$ 25,042,613	\$	28,402,648	\$	28,026,735	\$	28,820,534
\$ -	\$	-	\$ -	\$	-	\$	-	\$	-
789,191		121,116,538	 156,042,156		113,980,186		70,615,275		23,111,216 5,408,453
\$ 789,191	<u>\$</u>	121,116,538	\$ 156,042,156	<u>\$</u>	113,980,186	<u>\$</u>	70,615,275	<u>\$</u>	28,519,669
\$ 134,708 2,372,777 1,107,233	\$	156,470 2,730,400 1,150,186	\$ 108,150 2,569,873 1,264,448	\$	127,412 2,580,876 1,303,925	\$	120,315 3,487,798 1,235,310	\$	214,166 4,370,513 1,116,587
\$ 3,614,718	\$	4,037,056	\$ 3,942,471	\$	4,012,213	\$	4,843,423	\$	5,701,266
\$ 37,956,112	\$	161,829,904	\$ 185,027,240	\$	146,395,047	\$	103,485,433	\$	63,041,469

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN YEARS (modified accrual basis of accounting)

(unaudited)

	8/31/2009	8/31/2010		8/31/2011	8/31/2012
Revenues:					
Local:					
Property Tax	\$ 119,096,988	\$ 110,808,234		99,857,358	\$ 106,266,574
Other	16,197,017	14,359,890		17,670,089	 17,101,032
Total Local Revenue	135,294,005	125,168,124		117,527,447	123,367,606
State Revenue	62,807,640	72,920,041		91,014,162	84,549,679
Federal Revenue	21,426,639	29,960,685		30,699,593	 26,632,075
Total Revenues	219,528,284	228,048,850		239,241,202	 234,549,360
Expenditures By Function:					
Current:					
Instruction	104,544,789	110,973,691		111,679,795	105,967,515
Instructional Resources and Media Services	2,364,191	2,556,079		2,231,061	2,739,130
Curriculum and Instructional Staff Development	2,428,312	2,694,606		2,275,454	2,429,209
Instructional Leadership	3,199,037	3,196,572		3,151,501	3,212,282
School Leadership	10,352,578	10,705,244		10,595,214	10,297,017
Guidance, Counseling and Evaluation Services	6,227,209	6,557,904		6,415,330	6,300,016
Social Work Services	1,248,678	1,167,778		1,009,891	1,010,032
Health Service	1,493,244	1,571,776		1,592,469	1,572,019
Student (Pupil) Transportation	5,562,601	6,137,460		8,084,940	7,653,234
Food Services	10,895,279	11,419,538		12,016,360	12,107,858
Extracurricular Activities	4,577,368	4,887,617		4,613,791	4,518,068
General Administration	5,498,949	5,736,959		5,642,376	5,480,258
Facilities Maintenance And Operations	25,219,413	26,017,983		23,417,411	23,622,317
Security and Monitoring Services	1,290,214	1,504,718		1,461,973	1,465,129
Data Processing Services	2,766,856	2,030,098		1,971,772	1,890,386
Community Services	1,402,126	1,513,263		1,622,849	1,516,806
Debt Service:					
Principal on Long Term Debt	6,470,797	6,735,662		10,860,000	9,610,000
Interest on Long Term Debt	18,448,585	18,588,211		14,760,242	14,639,327
Bond Issuance Cost and Fees	33,249	1,240,971		12,910	579,449
Capital Outlay:					
Facilities Acquisition and Construction	29,544,538	17,869,692		3,846,136	7,244,987
Intergovernmental Charges	1,370,740	1,329,089		1,112,230	 1,326,393
Total Expenditures	244,938,753	244,434,911		228,373,705	 225,181,432
Excess (Deficiency) of Revenues Over					
(Under) Expenditures	(25,410,469)	(16,386,061))	10,867,497	9,367,928
Other Financing Sources (Uses):					
Refunding Bonds Issued	-	-		-	51,050,000
Bonds Issued	-	-		-	-
Sale of Real and Personal Property	37,623	15,500		-	-
Non-Current Loans	-	-		-	4,141,875
Transfers In	6,362,027	5,529,349		10,269,988	13,383,442
Premium or Discount on Issuance of Bonds	-	-		-	9,699,676
Prepaid Interest	-	-		-	120,746
Other Resources	-	-		-	-
Transfers Out (Use)	(7,612,027)	(4,758,911))	(10,112,682)	(13,365,712)
Payment to Bond Refunding Escrow Agent (Use)	-	-		-	(60,518,090)
Other Uses		(735,959))	(2,451,038)	 -
Total Other Financing Sources (Uses)	(1,212,377)	49,979		(2,293,732)	4,511,937
Net Change in Fund Balances	\$ (26,622,846)	\$ (16,336,082)) <u></u>	8,573,765	\$ 13,879,865
Debt Service as a percentage of NonCapital Expenditures	11.72%	11.78%)	11.60%	11.22%

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

This table includes all governmental fund types of the Goose Creek Consolidated Independent School District. Expenditure classifications are in accordance with those prescribed by the Texas Education Agency.

Due to the fiscal year change there are ten months for the 2013 fiscal period.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN YEARS (modified accrual basis of accounting)

(unaudited)

	6/30/2013		6/30/2014		6/30/2015		6/30/2016		6/30/2017		6/30/2017
\$	114,706,106	\$	123,006,818	\$	133,803,251	\$	142,544,573	\$	147,489,073	\$	157,378,653
ψ	18,293,134	Ψ	19,108,486	Ψ	20,333,155	ψ	17,675,079	ψ	19,768,276	Ψ	29,538,643
	132,999,240		142,115,304		154,136,406		160,219,652		167,257,349		186,917,296
	65,969,293		76,391,792		79,160,034		90,299,300		86,266,171		88,875,086
	22,467,139		23,580,989		25,081,973		24,748,407		24,296,992		27,079,162
	221,435,672		242,088,085		258,378,413		275,267,359		277,820,512		302,871,544
	<u> </u>				<u>, , , , , , , , , , , , , , , , , </u>				<u> </u>		
	102,460,626		131,164,077		141,222,837		142,779,895		131,592,154		136,580,187
	1,922,736		2,412,944		4,114,301		2,375,646		3,466,644		2,496,475
	2,789,299		4,102,219		3,836,072		3,847,533		4,584,828		4,180,796
	2,770,048		3,993,372		4,268,999		4,270,775		4,094,575		4,526,162
	8,983,891		11,008,078		12,163,737		12,114,531		12,298,384		13,391,869
	5,771,214		6,932,300		7,239,852		7,048,686		6,902,928		7,128,537
	942,938		1,069,701		1,123,828		976,721		891,129		902,043
	1,525,246		1,669,595		1,881,367		2,002,578		1,922,297		2,171,114
	6,377,599		10,320,773		8,082,145		8,543,303		10,560,998		10,923,373
	11,704,183		13,370,315		13,902,498		14,023,821		12,839,437		12,632,310
	4,351,107		5,125,215		5,404,440		5,253,861		5,445,404		5,628,610
	5,074,978		6,405,129		6,969,760		6,387,027		6,354,047		7,216,854
	19,420,592		26,419,960		25,238,828		28,689,270		27,339,002		28,677,381
	1,865,486		2,037,951		3,316,921		3,198,927		2,838,745		2,448,744
	2,299,008		3,868,137		3,914,647		3,430,639		3,458,202		4,820,267
	1,330,376		1,614,760		1,559,644		1,793,980		1,780,761		691,993
	9,285,000		13,565,674		31,135,243		16,477,085		16,649,442		16,817,325
	9,721,741		16,457,775		18,168,763		21,492,047		20,734,818		18,568,053
	13,800		1,413,276		1,624,437		1,045,042		20,800		879,682
	6,178,975		57,026,501		43,737,083		29,583,038		40,604,831		44,918,565
	866,838		1,030,002		1,099,495		1,127,567		1,196,979		1,304,734
	205,655,681	_	321,007,754		340,004,897		316,461,972		315,576,405		326,905,074
	15,779,991		(78,919,669)		(81,626,484)		(41,194,613)		(37,755,893)		(24,033,530)
	-		-		108,640,000		70,425,000		-		108,085,000
	-		172,050,000		75,330,000		-		-		-
	-		324,990		2,089,548		-		-		-
	715,249		-		-		-		-		-
	1,643,436		14,700,962		15,807,512		2,871,476		10,300,793		10,786,268
	-		14,453,556		23,892,571		7,945,753		-		13,151,703
	-		303,585		405,618		137,752		-		279,759
	-		-		-		-		-		320,200
	(1,643,436)		(10,700,962)		(15,807,512)		(2,121,476)		(10,300,793)		(10,786,268)
	-		-		(125,229,318)		(77,992,733)		-		(120,516,942)
	-		-		-		(158,192)		-		_
	715,249		191,132,131		85,128,419		1,107,580		-		1,319,720
\$	16,495,240	\$	112,212,462	\$	3,501,935	\$	(40,087,033)	\$	(37,755,893)	\$	(22,713,810)
	9.56%		11.67%		16.91%		13.56%		13.82%		12.75%

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS (Unaudited)

Taxing Entity	8/31/2009	8/31/2010	8/31/2011	8/31/2012
Baytown, City of	\$ 0.78703	\$ 0.78703	\$ 0.78703	\$ 0.82203
Cedar Bayou Park UD	0.10000	0.10000	0.10000	0.10000
Chambers County	0.49679	0.49679	0.49679	0.49679
Chambers County ID #1	0.60000	0.62000	0.62000	0.60000
Chambers County MUD #1	0.80500	0.80500	0.94000	0.98000
Goose Creek CISD	1.28213	1.30213	1.30213	1.33213
Harris County WCID #1	0.25000	0.25000	0.25000	0.25000
Harris County FWSD #1A	0.50000	0.55000	0.55000	0.55000
Harris County FWSD #27	0.62000	0.67500	0.67500	0.67500
Harris County	0.39224	0.38805	0.38805	0.39117
Harris County Hospital District	0.19216	0.19216	0.19216	0.19216
Harris County Department of Education	0.00605	0.00658	0.00658	0.00658
Harris County Flood Control District	0.02922	0.02923	0.02923	0.02809
Harris County Port of Houston Authority	0.01636	0.20540	0.20540	0.18560
Lake MUD	0.67000	0.67000	0.67000	0.67000
Lee College District	0.22120	0.25200	0.25200	0.25200
Spring Meadows MUD	1.23000	1.21000	1.21000	1.21000
	\$ 8.19818	\$ 8.53937	\$ 8.67437	\$ 8.74155

Source of Information: Harris and Chambers County Appraisal Districts

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS (Unaudited)

6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
\$ 0.82203	\$ 0.82203	\$ 0.82203	\$ 0.82203	\$ 0.82203	\$ 0.82203
0.10000	0.10000	0.09600	0.09270	0.08822	0.08674
0.49679	0.53269	0.55269	0.55269	0.54255	0.54255
0.60000	0.60000	0.60000	0.66000	0.66000	0.66000
0.98000	0.89000	0.79000	0.79000	0.79000	0.79000
1.33213	1.38679	1.43189	1.43189	1.43189	1.43189
0.23000	0.22000	0.22000	0.22000	0.22000	0.41000
0.55000	0.55000	0.55000	0.55000	0.45700	0.45000
0.73500	0.73500	0.70500	0.66500	0.59700	0.60000
0.40021	0.41455	0.41731	0.41923	0.41656	0.41801
0.18216	0.17000	0.17000	0.17000	0.17179	0.17110
0.00662	0.00636	0.00600	0.00542	0.00520	0.00520
0.02809	0.02827	0.02736	0.27330	0.02829	0.02831
0.01952	0.01716	0.01531	0.01342	0.01334	0.01256
0.70000	0.70000	0.68000	0.62000	0.55000	0.53000
0.24100	0.26070	0.25020	0.25020	0.24530	0.25040
1.21000	1.21000	1.13000	1.02000	0.92000	0.86000
\$ 8.63355	\$ 8.64355	\$ 8.46379	\$ 8.55588	\$ 7.95917	\$ 8.06878

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS (Unaudited)

	Actu	al/Appraised Valu	e (1)		Total	Total	Assessed/Taxable Value as a
Year Ended	Real Property	Personal Property	Total Property	Less: Exemptions	Assessed/Taxable Value*	Direct Tax Rate (2)	Percentage of Actual/Appraised Value
8/31/2009	\$10,052,310,137	\$1,345,488,446	\$11,397,798,583	\$2,323,726,668	\$ 9,074,071,915	1.2821	80%
8/31/2010	\$ 9,616,603,691	\$1,256,531,033	\$10,873,134,724	\$2,053,550,562	\$ 8,819,584,162	1.2821	81%
8/31/2011	\$ 8,570,541,301	\$1,571,145,165	\$10,141,686,466	\$2,189,723,734	\$ 7,951,962,732	1.3021	78%
8/31/2012	\$ 8,169,010,660	\$1,916,540,624	\$10,085,551,284	\$2,230,345,324	\$ 7,855,205,960	1.3321	78%
6/30/2013	\$ 8,554,718,523	\$2,207,243,861	\$10,761,962,384	\$2,343,904,535	\$ 8,418,057,849	1.3321	78%
6/30/2014	\$ 8,560,148,759	\$2,065,835,428	\$10,625,984,187	\$2,185,324,821	\$ 8,440,659,366	1.3868	79%
6/30/2015	\$ 8,890,048,137	\$2,436,966,125	\$11,327,014,262	\$2,333,236,861	\$ 8,993,777,401	1.4319	79%
6/30/2016	\$ 9,398,031,461	\$2,413,454,435	\$11,811,485,896	\$2,068,208,368	\$ 9,743,277,528	1.4319	82%
6/30/2017	\$10,097,648,370	\$2,290,088,002	\$12,387,736,372	\$2,030,760,157	\$10,356,976,215	1.4319	84%
6/30/2018	\$11,468,085,057	\$2,395,743,848	\$13,863,828,905	\$2,398,519,605	\$11,465,309,300	1.4319	83%

* Source: Harris and Chambers County (Texas) Appraisal Districts annually provide the District's Tax Office with appraised values for properties within the District's taxing authority. Appraised value equals actual value. Actual value less exemptions equals taxable/assessed value. Taxable/assessed value times the tax rate set by the District's Board of Trustees equals the tax levy.

(1) Represents original certified appraised value which are subject to change after protests and preliminary values are certified.(2) Tax rates are per \$100 of assessed value

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE PREVIOUS YEARS (Unaudited)

Taxpayer	Type Of Property		6/31/2018 Tax Year 2017 Assessed Value (1)	Rank	Percent of Total Value		8/31/2009 2008 Assessed Value (1)	Rank	Percent of Total Value
	Oil Refining, Storage,								
ExxonMobil	& Chemical Plant	\$	2,740,317,759	1	23.90%	\$	4,203,527,925	1	46.32%
Chevron Phillips Chenical	Petro Chemical Plant	Ŧ	1,270,833,548	2	11.08%	Ŧ	512,594,922	3	5.65%
Covestro, LLC (formerly Bayer, Inc.)	Chemical Plant		967,332,575	3	8.44%		1,386,848,900	2	15.28%
Wal-Mart Stores, Inc.	Retail		300,165,355	4	2.62%		199,353,771	4	2.20%
NRG Texas Power LLC	Generation, Electric Power		114,595,198	5	1.00%		-	-	-
Borusan Mannesmann Pipe U.S.	Manufacturing		102,001,385	6	0.89%		-	-	-
Chambers County Logistics Term	-		95,180,278	7	0.83%				
Center Point Energy	Electric Utility		94,734,677	8	0.83%		-	-	-
Baytown Energy Center LP	Oil & Gas Production		80,381,878	9	0.70%		187,365,710	5	2.06%
Air Products	Hydrogen Production		69,159,932	10	0.60%		75,108,772	8	0.83%
Home Depot	Retail			0	0.00%		66,282,410	9	0.73%
JSW Steel (USA) Inc.	Plate & Pipe Mill						81,057,460	6	
First Chemical Texas LLP	Chemical Plant		-	-	-		78,857,830	7	0.87%
Lanxess	Chemical Plant		-	-	-		73,650,400	10	0.81%
Totals			5,834,702,585		50.89%		6,864,648,100		74.76%
Total Assessed Value G	oose Creek CISD (1)	\$	11,465,309,300			\$	9,074,071,915		

Source of Information: District Tax Office

(1) See Assessed Value and Actual Value of Taxable Property Schedule

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS (Unaudited)

				Collected W Fiscal Year of				Total Collect	ions to Date
Tax Roll and Levy	Year	7	Adjusted Fax Levy for		Percentage of Net Tax	C	ollections in		Percent of Total Tax Collections
Year	Ended		e Fiscal Year	 Amount	Levy	Subs	sequent Years	 Amount	to Net Tax Levy
2008	8/31/2009	\$	119,588,025	\$ 117,154,457	97.97%	\$	2,629,580	\$ 119,784,037	100.16%
2009	8/31/2010	\$	111,630,204	\$ 109,346,635	97.95%	\$	1,934,987	\$ 111,281,622	99.69%
2010	8/31/2011	\$	102,304,814	\$ 100,196,865	97.94%	\$	1,777,733	\$ 101,974,598	99.68%
2011	8/31/2012	\$	108,289,335	\$ 106,266,574	98.13%	\$	1,645,707	\$ 107,912,281	99.65%
2012	6/30/2013	\$	117,287,931	\$ 114,706,106	97.80%	\$	2,217,185	\$ 116,923,291	99.69%
2013	6/30/2014	\$	125,608,672	\$ 123,006,818	97.93%	\$	2,177,271	\$ 125,184,089	99.66%
2014	6/30/2015	\$	136,574,880	\$ 133,803,251	97.97%	\$	2,183,682	\$ 135,986,933	99.57%
2015	6/30/2016	\$	145,399,611	\$ 142,544,573	98.04%	\$	2,061,423	\$ 144,605,996	99.45%
2016	6/30/2017	\$	150,911,929	\$ 147,489,073	97.73%	\$	2,290,713	\$ 149,779,786	99.25%
2017	6/30/2018	\$	161,027,497	\$ 157,378,653	97.73%	\$	-	\$ 157,378,653	97.73%

Source of Information: Schedule of Delinquent Taxes Receivable, General Ledger

Due to the fiscal year change there are ten months for the 2013 fiscal period.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS (Unaudited)

Year Ended	General Obligation Debt (2)	Capital Leases	Loans Payable	 Total Primary Government	Percentage of Debt to Assessed Value (1)	Debt Per pita (2)	Stı	Debt Per ident (2)	Percentage of Debt to Personal Income (2)
8/31/2009	\$ 351,385,662	\$ -	\$ -	\$ 351,385,662	3.87%	\$ 3,582	\$	18,425	21.02%
8/31/2010	\$ 344,650,000	\$ -	\$ -	\$ 344,650,000	3.91%	\$ 3,479	\$	17,845	16.10%
8/31/2011	\$ 333,790,000	\$ -	\$ -	\$ 333,790,000	4.20%	\$ 3,339	\$	16,907	15.19%
8/31/2012	\$ 321,710,000	\$ -	\$ 4,141,875	\$ 325,851,875	4.15%	\$ 3,231	\$	16,294	14.56%
6/30/2013	\$ 312,425,000	\$ -	\$ 4,857,124	\$ 317,282,124	3.77%	\$ 3,119	\$	15,743	14.10%
6/30/2014	\$ 471,315,000	\$ -	\$ 4,451,450	\$ 475,766,450	5.64%	\$ 4,635	\$	23,040	20.77%
6/30/2015	\$ 560,934,790	\$ -	\$ 3,896,210	\$ 564,831,000	6.28%	\$ 5,455	\$	26,352	24.33%
6/30/2016	\$ 540,638,875	\$ -	\$ 3,324,125	\$ 543,963,000	5.58%	\$ 5,207	\$	24,856	23.11%
6/30/2017	\$ 520,916,987	\$ -	\$ 2,734,679	\$ 523,651,666	5.06%	\$ 4,969	\$	23,579	21.94%
6/30/2018	\$ 505,864,171	\$ -	\$ 2,127,354	\$ 507,991,525	4.43%	\$ 4,778	\$	22,770	20.99%

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

(1) See Assessed Value and Actual Value of Taxable Property schedule

(2) See Demographic and Economic Statistics schedule for details on population, student data and personal income

Fiscal year 2013 was comprised of only 10 months.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS (Unaudited)

	 8/31/2009	8/31/2010	8/31/2011	8/31/2012		
Debt Limit	\$ 907,407,192	\$ 881,958,416	\$ 795,196,273	\$	785,520,596	
Total Net Debt Applicable to Limit	 339,324,209	 333,233,185	 320,580,102		295,567,708	
Legal Debt Margin	\$ 568,082,983	\$ 548,725,231	\$ 474,616,171	\$	489,952,888	
Total Net Debt Applicable to the limit as a percentage of debt limit	37.39%	37.78%	40.31%		37.63%	

The debt limit percentage is in accordance with the Codification of Governmental Accounting and Financial Reporting Standards (Cod. Sec. 2800.103).

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS (Unaudited)

6,	/30/2013		6/30/2014		6/30/2015	6/30/2016	6/30/2017	6/30/2018
\$	841,805,785	\$	844,065,937	\$	899,377,740	\$ 974,327,753	\$ 1,035,697,622	\$ 1,146,530,930
	292,433,191		434,638,690		535,892,177	 569,041,523	 492,890,252	 477,043,637
\$	549,372,594	\$	409,427,247	\$	409,427,247	\$ 405,286,230	\$ 542,807,370	\$ 669,487,293
<u>.</u>	34.74%		51.49%		59.58%	58.40%	47.59%	41.61%
Assess Debt L	ed/Taxable Va Limit Percent o	alue 2 of As						\$ 11,465,309,300 10% 1,146,530,930
	Bonded Debt Amounts Avail	able	for Retirement o	f Boı	nds		\$ 505,864,171 (28,820,534)	
Amou	nt of Debt App	olicat	ole to Debt Limi	t				477,043,637
Legal	Debt Margin							\$ 669,487,293

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT RATIO OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING LAST TEN YEARS (Unaudited)

Year Ended	Schoolhouse and Refunding Bonds Outstanding		Less Reserve Available for Retirement of Debt			Net Bonded Debt Outstanding at Year End	Percentage of Bonded Debt to Actual Property Value (1)	D	Net onded ebt Per ident (2)
8/31/2009	\$	351,385,662	\$	12,061,453	\$	339,324,209	3.74%	\$	17,793
8/31/2010	\$	344,650,000	\$	11,416,815	\$	333,233,185	3.78%	\$	17,253
8/31/2011	\$	333,790,000	\$	13,209,898	\$	320,580,102	4.03%	\$	16,237
8/31/2012	\$	321,710,000	\$	26,142,292	\$	295,567,708	3.76%	\$	14,780
6/30/2013	\$	312,425,000	\$	33,552,203	\$	278,872,797	3.31%	\$	13,837
6/30/2014	\$	471,315,000	\$	36,676,310	\$	434,638,690	5.15%	\$	21,048
6/30/2015	\$	560,934,790	\$	25,042,613	\$	535,892,177	5.96%	\$	25,002
6/30/2016	\$	540,638,875	\$	28,402,648	\$	512,236,227	5.26%	\$	23,406
6/30/2017	\$	520,916,987	\$	28,026,735	\$	492,890,252	4.76%	\$	22,194
6/30/2018	\$	505,864,171	\$	28,820,534	\$	477,043,637	4.16%	\$	21,383

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

(1) See Assessed Value and Actual Value of Taxable Property Schedule

(2) See *Demographic* and *Operating* Sections for student data

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT JUNE 30, 2018

(Unaudited)

		Debt		Percentage		Estimated
Governmental Unit		Outstanding	As of	Overlapping (1)	Ove	rlapping Debt
Baytown, City of	\$	190,390,000	6/30/2018	100.00%	\$	190,390,000
Chambers County *		48,805,000	6/30/2018	26.10%		12,738,105
Chambers County ID #1		74,290,000	6/30/2018	96.93%		72,009,297
Chambers County ID #2		14,160,000	6/30/2018	100.00%		14,160,000
Chambers County MUD #1		12,185,000	6/30/2018	100.00%		12,185,000
Harris County *		2,208,674,361	6/30/2018	1.66%		36,663,994
Harris County Department of Education		6,555,000	6/30/2018	1.66%		108,813
Harris County Flood Control District		83,075,000	6/30/2018	1.66%		1,379,045
Harris County FWSD #27		840,000	6/30/2018	100.00%		840,000
Harris County MUD #459		7,275,000	6/30/2018	100.00%		7,275,000
Harris County WCID #1		8,885,000	6/30/2018	100.00%		8,885,000
Harris County Hosp Dist		59,490,000	6/30/2018	1.66%		987,534
Lake MUD		18,635,000	6/30/2018	100.00%		18,635,000
Lee College District		44,355,000	6/30/2018	100.00%		44,355,000
Port of Houston Authority		638,829,397	6/30/2018	1.66%		10,604,568
Spring Meadows MUD		15,635,000	6/30/2018	100.00%		15,635,000
	Tota	al Overlapping De	ebt			446,851,356
	Goo	se Creek CISD E	Direct Debt			507,991,525
	Tota	al Direct and Ove	rlapping Net I	Debt	\$	954,842,881

Source: The Municipal Advisory Council of Texas.

* Goose Creek CISD is located in both Harris and Chambers County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the boundaries of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt is estimated using assessed/taxable property values. Percentages were estimated by determining the portion of the overlapping tax authority's assessed/taxable value that is within the District's boundaries and dividing it by the overlapping taxing authority's total assessed/taxable value.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS (Unaudited)

			Pe	r Capita		Unemployme		Percentage of Students	Average	
Fiscal Year	Estimated Population (1)	 Personal Income (2)		ersonal come (2)	Harris County	Chambers County	Texas	United States	in Free/Reduced Lunch Program (4)	Daily Attendance (4)
8/31/2009	98,091	\$ 1,671,629,784	\$	17,042	8.20%	9.90%	8.00%	9.60%	65.76%	19,071
8/31/2010	99,072	\$ 2,140,549,632	\$	21,606	8.60%	9.20%	8.30%	9.50%	76.63%	19,314
8/31/2011	99,958	\$ 2,197,765,553	\$	21,987	8.50%	9.40%	8.20%	9.00%	70.71%	19,743
8/31/2012	100,843	\$ 2,238,008,699	\$	22,193	7.00%	8.40%	7.00%	8.10%	72.08%	19,998
6/30/2013	101,736	\$ 2,249,902,011	\$	22,115	6.80%	7.50%	6.90%	7.60%	73.47%	20,154
6/30/2014	102,638	\$ 2,290,158,438	\$	22,313	5.40%	7.10%	5.10%	6.10%	72.70%	20,650
6/30/2015	103,547	\$ 2,322,001,488	\$	22,425	4.80%	5.50%	4.40%	5.30%	71.76%	21,434
6/30/2016	104,465	\$ 2,354,287,294	\$	22,537	5.50%	6.30%	4.50%	4.90%	73.18%	21,885
6/30/2017	105,390	\$ 2,387,022,011	\$	22,649	5.30%	6.90%	4.60%	4.40%	71.46%	22,208
6/30/2018	106,324	\$ 2,420,211,881	\$	22,763	4.70%	5.80%	3.80%	4.00%	72.46%	22,310

(1) Based on U.S. Census Data through 2013; increased 5% for each year thereafter
(2) Based on 2010 U.S. Census Bureau/American Community Survey annual data; estimated annual growth estimates based on 0.886%

(3) Bureau of Labor Statistics

(4) Free/Reduced Lunch Program and Average Daily Attendance information obtained from Texas Education Agency Summary of Finance

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS PREVIOUS (unaudited)

		2018		_		
			Percentage			Percentage
			of Total			of Total
Employer	Employees	Rank	Employment	Employees	Rank	Employment
Exxon Mobil-Baytown Complex	3,800	1	7.30%	1,800	2	3.46%
Goose Creek Consolidated ISD	3,015	2	5.79%	2,614	1	5.02%
Houston Methodist San Jacinto Hospital	1,630	3	3.13%	1,357	3	2.61%
Covestro	1,000	4	1.92%	1,050	5	2.02%
Chevron Chemical/Cedar Bayou Plant	970	5	1.86%	585	9	1.12%
Lee College	750	6	1.44%	-		0.00%
City of Baytown	800	7	1.54%	703	8	1.35%
Wal-Mart Distribution	600	8	1.15%	875	6	1.68%
JSW Steel	450	9	0.86%	-		0.00%
Home Depot Distribution Center	325	10	0.62%	-		0.00%
Baytown Mobil-Baytown Chemical	-		0.00%	1,132	4	2.17%
Exxon Mobil/BTEC - East & West	-		0.00%	850	7	1.63%
Exxon Mobil Chemical - Baytown Olefins		_	0.00%	292	10	0.56%
	13,340	-	25.61%	11,258	- ·	21.62%

Source of information : West Chambers County Economic Development Corp. and Baytown Chamber of Commerce

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION LAST NINE FISCAL YEARS

Full-Time Equivalent	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Professional Staff	-								
Substitute Teacher	6	6	2	4	5	8	3	4	1
Teachers	1,432	1,441	1,330	1,350	1,433	1,471	1,486	1,457	1,508
Subtotal	1,438	1,447	1,332	1,354	1,438	1,479	1,489	1,461	1,509
Support Staff									
Athletic Trainers	2	-	2	3	3	3	4	5	5
Audiologist	-	-	-	-	-	-	-	-	1
Counselors	44	39	39	38	37	45	47	47	47
Department Heads	-	-	-	-	-	29	28	28	-
Educational Diagnostician	18	17	17	17	13	-	-	-	22
Librarians	24	20	18	19	20	21	23	18	17
School Nurses	24	24	24	24	24	25	27	26	27
Social Worker	-	-	-	-	4	4	4	4	4
Speech Thrpst/Speech-Lang Pathologists	-	18	18	14	13	-	1	1	25
Teacher Facilitators	3	18	1	1	3	1	1	1	38
Other Campus Professional Personnel	-	-	62	57	57	23	28	27	69
Subtotal	114	136	182	173	174	151	163	156	255
Administrative Staff									
Assistant Principal	48	44	43	46	48	41	48	50	60
District Instructional Program or Executive Director		-	1	1	4	4	2	2	20
Principal	23	23	22	22	25	27	27	27	27
Athletic Director	3	-	-	-	-	-	-	-	1
Other District Exempt Professional Auxliary	-	-	-	-	-	-	-	-	50
Registrar	3	2	1	-	-	-	-	-	-
Subtotal	77	69	67	69	77	72	77	79	158
Educational Aides	195	200	202	211	213	233	253	266	344
Total Professional Staff	1,824	1,852	1,782	1,806	1,902	1,935	1,981	1,962	2,265
Auxiliary Staff	902	925	863	851	862	941	1,002	989	1,051
Total Personnel (FTE's)	2,920	2,977	2,847	2,867	2,978	3,109	3,236	2,950	3,316

Source: Texas Education Agency and OnData Suite

Nine years of historical data currently available

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT OPERATING STATISTICS LAST TEN YEARS (Unaudited)

Year Ended	Operating Expenditures (1)		Average Daily Attendance	Р	Cost er Student ADA	Government Wide Expenses			Cost er Student ADA	Teaching Staff (2)	Student to Teacher Ratio (2)
8/31/2009	\$	187,881,323	19,071	\$	9,852	\$	220,262,740	\$	11,550	1,343	14.40
8/31/2010	\$	198,862,589	19,314	\$	10,296	\$	230,811,542	\$	11,950	1,509	14.32
8/31/2011	\$	195,410,475	19,743	\$	9,898	\$	224,380,639	\$	11,365	1,461	14.42
8/31/2012	\$	191,906,369	19,998	\$	9,596	\$	219,655,368	\$	10,984	1,489	15.99
6/30/2013	\$	179,890,693	20,154	\$	8,926	\$	203,229,368	\$	10,084	1,479	15.90
6/30/2014	\$	227,329,646	20,154	\$	11,280	\$	257,727,167	\$	12,788	1,438	15.32
6/30/2015	\$	242,275,086	21,434	\$	11,303	\$	275,677,324	\$	12,862	1,354	15.43
6/30/2016	\$	242,081,546	21,885	\$	11,062	\$	286,924,243	\$	13,111	1,332	15.70
6/30/2017	\$	233,102,602	22,208	\$	10,496	\$	275,759,264	\$	12,417	1,447	16.15
6/30/2018	\$	242,052,063	22,310	\$	10,849	\$	204,439,148	\$	9,164	1,438	15.77

Source: District records and Texas Education Agency

(1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the governmentwide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.

(2) Teacher information and Student/Teacher Ratio obtained from Texas Association of School Business Officials (TASBO's) Forecast5 Analytics (previously known as eFACTS+), Texas Education Agency and OnData Suite

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT TEACHER SALARY DATA LAST TEN YEARS (unaudited)

Year Ended	Average Years Experience of Teachers	 District Average Teacher Salary	Ed	ucation Region Average Teacher Salary	 State Average Teacher Salary
8/31/2009	10.61	\$ 48,953	\$	49,186	\$ 47,159
8/31/2010	10.74	\$ 50,698	\$	50,129	\$ 48,263
8/31/2011	10.77	\$ 50,503	\$	50,616	\$ 48,639
8/31/2012	11.02	\$ 51,360	\$	50,383	\$ 48,375
6/30/2013	10.70	\$ 51,045	\$	49,907	\$ 48,821
6/30/2014	10.24	\$ 56,136	\$	52,261	\$ 50,179
6/30/2015	10.10	\$ 57,552	\$	54,224	\$ 50,734
6/30/2016	10.3	\$ 58,801	\$	55,240	\$ 52,090
6/30/2017	10.7	\$ 57,656	\$	55,558	\$ 47,283
6/30/2018	10.4	\$ 58,523	\$	57,076	\$ 53,334

Source: Forecast5 Analytics, 2016-17 TASB Teacher Compensation in Texas Public Schools, TEA Staff FTE Counts & Salary Reports

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT INSTRUCTIONAL BUILDING DATA

JUNE 30, 2018

(Unaudited)

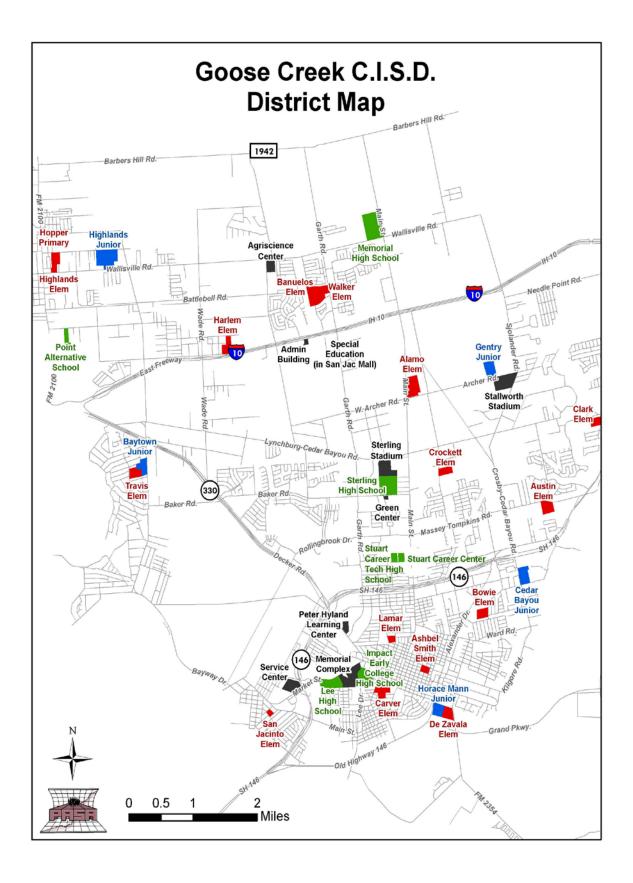
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	Year of	Square	Instructional	Final 17-18	Final 16-17
Instructional Facility	Construction	Feet	Capacity	Enrollment	Enrollment
High Schools:					
Robert E. Lee	1930	403,637	2,319	1486	1,518
Ross S. Sterling	1966	475,557	2,408	2273	2,251
Goose Creek Memorial High School	2008	364,238	1,800	2074	2,053
Impact Early College	2015	51,139	418	378	356
Stuart Career Tech High School	2017	72,916	365	75	(2)
Peter Hyland Center	2010	50,765	(1)	104	71
Point Alternative Learning Center	2003	9,375	(1)	56	47
Stuart Career Center	1973	34,066	(1)	(1)	(1)
High Point and JJAEP High School	n/a	n/a	(1)	0	2
Junior Highs:					
Baytown Junior High	1982	153,687	975	967	954
Cedar Bayou Junior High	2002	182,281	1,100	1059	1,067
Gentry Junior High	1980	153,675	1,125	1111	1,079
Highlands Junior High	2008	192,344	1,125	1139	1,120
Horace Mann Junior High	1994	151,839	1,225	979	980
Point Alternative Learning Center	2003	9,375	(1)	0	39
High Point and JJAEP High School	n/a	n/a	(1)	0	17
Then I only and JJALI Then School	II/a	11/ a	(1)	0	17
Elementaries:					
Alamo Elementary	1980	96,129	850	765	809
Ashbel Smith Elementary	1994	65,677	924	787	747
Austin Elementary	1994	100,908	814	760	763
Banuelos Elementary	2014	96,129	850	867	874
Bowie Elementary	2008	97,892	880	858	828
Carver Elementary	2002	94,515	836	724	759
Clark Elementary	2014	96,129	850	673	672
Crockett Elementary	1981	66,170	638	700	719
DeZavala Elementary	1992	94,953	924	784	860
Harlem Elementary	1992	94,953	814	662	695
Highlands Elementary	1992	94,953	814	847	776
Hopper Primary	1980	58,778	462	507	509
Lamar Elementary	1994	98,362	858	706	723
San Jacinto Elementary	1982	78,335	528	477	519
Travis Elementary	2002	94,515	880	857	861
Victoria Walker Elementary	2002	100,727	924	918	863
Total		, ·	25,441	23,593	23,529

Source: District records, GCCISD May 2017 and 2017 Membership Reports

Note: The District utilized temporary buildings which provided additional classrooms at schools where enrollment exceeded building capacity.

(1) Alternative Learning Program, Special Education, Guidance Center, Stuart Career Center are considered programs rather than campuses. Students enrolled in these programs are reported in PEIMS data according to their home campus.

(2) Stuart Career Tech High School began in the 17-18 school year.



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SINGLE AUDIT REPORTS

FOR THE YEAR ENDED JUNE 30, 2018

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GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SINGLE AUDIT REPORTS FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

PAGE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER	
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS	
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN	
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR	
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE	
REQUIRED BY THE UNIFORM GUIDANCE	3
Schedule of Findings and Questioned Costs	6
Schedule of Expenditures of Federal Awards	8
Notes to Schedule of Expenditures of Federal Awards	10

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT Baytown, Texas

We have audited, in accordance with the U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Goose Creek Consolidated Independent School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 2, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2018-1.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Start, Gancia & Stanley

Start, Garcia & Stanley, LLC

Baytown, Texas November 2, 2018



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT Baytown, Texas

Report on Compliance for Each Major Federal Program

We have audited Goose Creek Consolidated Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-2. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 2, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Start, Garcia & Stanley, LLC

Baytown, Texas November 2, 2018

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements			
Type of auditors' report issued:		Unmodified	
Internal control over financial reporting	:		
Material weakness(es) identifi	ed?	yes	X no
Significant deficiencies identi	fied?	yes	X none reported
Noncompliance material to financial sta	tements noted:	yes	X no
Federal Awards			
Internal control over major programs:			
Material weakness(es) identifi	ed?	yes	<u> </u>
Significant deficiencies identi	fied?	yes	X none reported
Type of auditors' report issued on comp	liance for major programs:	Unmodified	
Any audit findings disclosed that are rec accordance with 2 CFR section 200.516		yes	X no
Major programs:			
CFDA Number(s)	Name of Federal Program or Clu	ister	
10.553. 10.555, 10.559 84.938	Child Nutrion Cluster Hurricane Education Recovery		
Dollar threshold used to distinguish betw	ween type A and type B programs:		\$ 750,000
Auditee qualified as low-risk auditee?		X yes	no

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

2018-1 Excess Expenditures over Appropriations

Condition and Criteria: State law mandates that expenditures not exceed appropriations on a functional level.

Cause and Effect: Expenditures exceeded appropriations in two functional categories (Community Services and Facilities Maintenance and Operations). Budget amendments were approved for Community Services during the year; however, unexpected expenditures at year end caused expenditures to exceed the amended budget.

Recommendation: District personnel should continue to review all expenditures during the year to ensure that any necessary budget amendments are brought to the Board of Trustee for approval before June 30.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2018-2 Child Nutrition Cluster (CFDA #10.553, #10.555, #10.559)

Criteria: Per Section 14.22 of the Texas Department of Agriculture's Administrative Reference Manual and as also referenced in Section 1.3.2.4 of the Texas Education Agency's ("TEA") Financial Accountability Resource Guide, the Child Nutrition Program (fund 240) fund balance cannot exceed three months of average expenditures.

Condition: At June 30, 2018, the District's Child Nutrition Program restricted fund balance exceeded three months average expenditures by \$357,039.

Questioned Costs: None

Effect: The District is not in compliance with the Texas Department of Agriculture's fund balance requirement.

Cause: The District submitted a plan in March 2018 to reduce its excess fund balance by purchasing equipment and upgrading facilities; however, current year activity did not reduce fund balance below the three months average fund balance requirement by year end.

Recommendation: The District should evaluate its future spending to ensure its Child Nutrition fund balance is in compliance with the Texas Department of Agriculture's fund balance requirement.

IV. STATUS OF PRIOR YEAR FINDINGS

None Noted.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

V. CORRECTIVE ACTION PLAN

2018-1 Excess Expenditures over Appropriations

Contact person: Margie Grimes, Chief Financial Officer

Response: The District will closely monitor expenditures during the year to ensure the final budget amendment provides for all actual expenditures.

Estimated Completion Date: Ongoing

2018-2 Excess Child Nutrition Program Fund Balance

Contact person: Natalie Edwards, Director of Child Nutrition Services

Response: A required reduction plan has been submitted and approved by the Texas Department of Agriculture.

Estimated Completion Date: June 30, 2019

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2018

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/	Federal	Pass-Through	
PASS-THROUGH GRANTOR/	CFDA	Entity Identifying	Federal
PROGRAM or CLUSTER TITLE	Number	Number	Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through State Dept. of Public Safety			
Disaster Grants - FEMA Hurricane Reimbursements	97.036	FEMA-DR-4332-TX	\$ 7,03
Total Passed Through State Dept. of Public Safety			7,03
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			7,03
U.S. DEPARTMENT OF DEFENSE			
Direct Programs			
Reserve Officer Training Corp (ROTC)	12.000	TX070135/TX070170	172,02
Total Direct Programs			172,02
TOTAL U.S. DEPARTMENT OF DEFENSE			172,02
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education			
*ESEA, Title I, Part A - Improving Basic Programs	84.010	17610101101911	123,40
*ESEA, Title I, Part A - Improving Basic Programs	84.010	18610101101911	5,119,12
*Title I, 1003 (a) Priority & Focus School Program *Title I, 1003 (a) Priority & Focus School Program	84.010 84.010	17610112101911000 18610112101911000	19.88 137,83
Total CFDA Number 84.010	84.010	18010112101911000	5,400,25
Total Title I, Part A Cluster			
ESEA, Title I, Part C - Migratory Children	84.011	18615001101911	216,19
*IDEA - Part B, Formula	84.027	176600011019116600	167,14
*IDEA - Part B, Formula	84.027	186600011019116600	2,766,47
*High Cost	84.027 84.027	66001806	822,88
*SSA - IDEA - Part B, Discretionary *SSA - IDEA - Part B, Discretionary	84.027 84.027	17660011101911 186600111019116673	29,22 176,11
Total CFDA Number 84.027	0	10000011101/1100/0	3,961,83
*IDEA - Part B, Preschool	84.173	176610011019116610	2,25
*IDEA - Part B, Preschool	84.173	186610011019116610	37,44
Total CFDA Number 84.173			39,70
Total Special Education Cluster (IDEA)			4,001,53
Career and Technical - Basic Grant	84.048	17420006101911	4,62
Career and Technical - Basic Grant	84.048	18420006101911	224,10
2017-2018 Perkins Career Clusters	84.048	184200557110018	7,22
Total CFDA Number 84.048	04454	1000110110101000	235,94
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181	183911011019113911	3,11
Title III, Part A - English Language Acquisition Title III, Part A - English Language Acquisition	84.365 84.365	17671001101911 18671001101911	35
Title III, Part A - English Language Acquisition Title III, Part A - Immigrant	84.365 84.365	18671001101911	344.75 17,53
Total CFDA Number 84.365			362,64
ESEA, Title II, Part A, Supporting Effective Instr	84.367	17694501101911	1,88
ESEA, Title II, Part A, Supporting Effective Instr	84.367	18694501101911	662,76
Total CFDA Number 84.367			664,64
LEP Summer School	84.369	69551702	32,05
Title IV, Part A, Subpart 1	84.424	18680101101911	65,11

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2018

(1)	(2)	(3)	(4)
EDERAL GRANTOR/	Federal	Pass-Through	
PASS-THROUGH GRANTOR/	CFDA	Entity Identifying	Federal
PROGRAM or CLUSTER TITLE	Number	Number	Expenditures
Project Serv Hurricane Recovery Grant Emergency Impact Aid to LEAs	84.938 84.938	18510701101911 51271901	12,600 2,257,966
Total CFDA Number 84.938	01.990	512,1901	2,270,57
Total Passed Through State Department of Education			13,252,072
TOTAL U.S. DEPARTMENT OF EDUCATION			13,252,072
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Dept of Human Services	00 770	101011	
Medicaid Administrative Claiming Program - MAC	93.778	101911	
	93.778	101911	<u> </u>
Medicaid Administrative Claiming Program - MAC		101911	14,18
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMA		101911	14,18
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN U.S. DEPARTMENT OF AGRICULTURE		101911	14,18
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMA		101911 00521	
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN U.S. DEPARTMENT OF AGRICULTURE <u>Passed Through the State Department of Agriculture</u> *School Breakfast Program *National School Lunch Program - Cash Assistance	N S ERVICES		14,18 14,18 2,812,14
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN U.S. DEPARTMENT OF AGRICULTURE <u>Passed Through the State Department of Agriculture</u> *School Breakfast Program	N SERVICES 10.553	00521	14,18 14,18 2,812,14 7,279,56 751,31
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN U.S. DEPARTMENT OF AGRICULTURE <u>Passed Through the State Department of Agriculture</u> *School Breakfast Program *National School Lunch Program - Cash Assistance	10.553 10.555	00521 00521	14,18 14,18 2,812,14 7,279,56 751,31
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN U.S. DEPARTMENT OF AGRICULTURE <u>Passed Through the State Department of Agriculture</u> *School Breakfast Program *National School Lunch Program - Cash Assistance *National School Lunch Program - Cash Assistance	10.553 10.555	00521 00521	14,18 14,18 2,812,14 7,279,56 751,31 8,030,88 213,31
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN U.S. DEPARTMENT OF AGRICULTURE <u>Passed Through the State Department of Agriculture</u> *School Breakfast Program *National School Lunch Program - Cash Assistance *National School Lunch Prog Non-Cash Assistance Total CFDA Number 10.555	10.553 10.555 10.555	00521 00521 00521	14,18 14,18 2,812,14 7,279,56 751,31 8,030,88 213,31
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN U.S. DEPARTMENT OF AGRICULTURE <u>Passed Through the State Department of Agriculture</u> *School Breakfast Program *National School Lunch Program - Cash Assistance *National School Lunch Prog Non-Cash Assistance Total CFDA Number 10.555 *Summer Feeding Program - Cash Assistance	10.553 10.555 10.555	00521 00521 00521	14,18 14,18 2,812,14 7,279,56 751,31 8,030,88
Medicaid Administrative Claiming Program - MAC Total Passed Through Texas Dept of Human Services TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN U.S. DEPARTMENT OF AGRICULTURE Passed Through the State Department of Agriculture *School Breakfast Program *National School Lunch Program - Cash Assistance *National School Lunch Program - Cash Assistance Total CFDA Number 10.555 *Summer Feeding Program - Cash Assistance Total CFIA Nutrition Cluster	10.553 10.555 10.555 10.559 10.558	00521 00521 00521 00521	14,18 14,18 2,812,14 7,279,56 751,31 8,030,88 213,31 11,056,33

*Clustered Programs

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2018

1. The District utilizes the fund types specified in the Texas Education Agency Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types and agency funds are accounted for using a current financial resources measurement focus. All federal grant funds are accounted for in the special revenue funds, a component of the governmental fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

- 3. The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.
- 4. Reconciliation of Federal Program Revenues:

Total Expenditures of Federal Awards (page 9)	\$ 24,632,545
Plus: E-Rate reimbursements	291,722
Plus: School Health and Related Services (SHARS)	 2,154,895
Total Federal Program Revenues (per Exhibit C-3 of the CAFR)	\$ 27,079,162

(Per TEA Resource Guide – SHARS reimbursements are not to be reported on Schedule of Expenditures of Federal Awards.)

SCHOOLS FIRST QUESTIONNAIRE

G008	SE CREEK CISD	Fiscal Year 2018
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	0
SF11	Net Pension Assets (1920) at fiscal year-end.	0
SF12	Net Pension Liabilities (2540) at fiscal year-end.	46385532

SF13 Pension Expense (6147) at fiscal year-end.